World News

Gibraltar shootings prompt riots US theme in Belfast

Rioters went on the rampage in BANK ORGANISATION, UK lefBelfast as anger over the killing sure and entertainments group, of three Irish Republican Army (IRA) terrorists in Gibraltar asswept through Republican areas.

Swept through Republican areas, privately owned American lefPolice fired plastic bullets in sure company based in Bushkill, West Belfast where gangs threw Pennsylvania, which owns the franchises of the Yogi Bear JelShooting incidents were reported.

Meanwhile security forces in Gibraltar searched for a car bomb and a fourth terrorist. Peace remains elusive, Page 20

WALL STREET. The Dow Jones industrial average closed down 1.49 at 2056.37. Page 44

Gulf war missile barrage continues

Iran and Iraq continued to launch ground-to-ground missiles against each other's capitals. Iran-said it had launched two missiles

at Baghdad after three Iraqi rock-ets landed on Tehran. Iran also said more air raid shelters would be built and emergency accommodation provided in the provinces for refugees from Tehran which had been hit by about 40 fran misales in a week. Soviet-fran ties apset,

Panama ships stranded As many as 15 ships were stranded outside the Panama Canal because Panama was demanding cash rather than cheques for dock services such as refuelling, food and water, reports in Washington sald. Pen-sioners angry, Page 20

Anti-apartheid attacks Anti-apartheld activists damaged petrol pumps in 37 Datch towns in a protest against Royal Dutch/ Shell'e refusal to pull out of

Colombian strike call Colombian trade union organisa-tions called for a one-day general strike to protest against wide-spread political violence.

Sri Lanka build-up

Sri Lanka sent 1,000 extra troops and 450 police reinforcements to Trincomales where Tamil guerril-las killed 40 Sinhalese civilians

Indian opposition leaders walked out of parliament in protest lution of the Punjab state assem-

Aid for co-operatives Soviet authorities published a

draft law on co-operatives seek-ing to guarantee them equal rights with the state sector, free-dom from price controls and perion to trade abroad. Page 3

Taiks on US bases

Fresh talks on the future of four US military bases in Greece began in Athens amid uncertainty over the impact of the recent improvement in Greek-Turkish relations on Athens' negotiating strategy. Page 3

Afghan compromise Pakistan was still fighting for a compromise over the issue of an interim coalition government when negotiations resumed in Geneva on the withdrawal of 115,000 Soviet troops from

Afghanistan Page 5 S. African police sacked Seven South African police reservists were diamissed for being members of the neo-fascist Afrikaner Weerstandsbeweging (Afrikaner Resistance Move-

Yeutter urges EC reform RLORCKNER-Humboldt-Deutz US Trade Representative Clayton Yeutter urged the European Community to cut farm subsidies as a way of tackling the prob-lerms of high food surpluses and

Horse stops flight

A horse broke out of its box on a New York-bound Spanish airliner carrying 223 passengers shortly after take off from Madrid. The pilot turned back for safety reasons and later took off again, without the horse.

Business Summary Rank pays

\$180m for park group

WALL STREET: The Dow Jones industrial average closed down 149 at 2056.37. Page 44

LONDON: The sudden upswing in the pound against both the dollar and the DM led to sales of dollar earners, such as Glam and Shell, as well as other expoters, including ICI, which will feel the pinch in Germany. The FT-SE ended the day 16.3 down at 1,818.2. Page 40

TOKYO: A wait-and-see mood prevailed in Tokyo, leaving the market weaker at the close. The Nikkei average ended 10.90 points lower at 25.516.58, having reached a high of 25.542.58 against a low of 25.567.53. Page 44

DOLLAR closed in London at DM1.6765 (DM1.6865); FF75.6750 (FF75.7175); SFY1.2840 (SFY1.8990); and Y128.10 (Y128.75). Page 33

STERLING closed in London at \$1.8185 (\$1.7735); DM2.0475 (DM2.9975); FFr10.32 (FFr10.1425); SFr2.5175 (SFr2.4825); and Y238.00 (Y228.50). Page 38.

CARLO DE HENEDETTI. Italian industrialist who is attiving to win control of Société Générale de Belgique, Belgium's most pow-erful company, said his much-touted "camp followers" include Philips, Dutch electrical group, and Nestié, Swiss food multinasion to let the pound rise did not represent a change in policy. The Government's objectives of fighting inflation, preserving the conpetitiveness of British industry, and promoting exchange rate stability were unchanged.

Currency traders and analysis, but that it did not have a bility were unchanged.

Currency traders and analysis, but that it would continue to however, were left confused and perpleted. The move was seen as expected it to halt an excessive a major change in the operation tional Page 21

JAPAN overtook West Germany last year to become the world's largest holder of non-gold reserves, the International Mone-tary Fund (IMF) said. Japan's reserves totalled 57.1hm Special reserves totalled 57.1hm Special perplexed. The more was seen as expected it to halt an excessive inflationary goels.

Drawing Rights (SDRs) at the end a major change in the operation of 1987, up from 34.5hm a year of monetary policy and one earlier. West — Germany's increased to 55.5hm SDRs from 42.3hm.

WARNER Communications, US entertainment and communics over the Government's resolve to stressed.

They said it created doubts stressed.

Intervene when the market least line with the Government's entimizations of the halt an excessive inflationary goels.

Prices for long-detail gift-edged of that the Government's resolve in that the Government had not "let response and closed, on a yield that the pound go".

We're keen to reassure UK Share prices, however, fall as major from that the gound go".

Share prices of those companies over the Government's resolve to stressed.

entertainment and communicatover the Government's resolve to stress front-runner in Hollywood's jos-tling for control of Lorimar Telepictures, film studio troubled by erratic financial management

GENERAL ELECTRIC, US industrial products group, launched a \$423m, or \$45-e-share, counter-bid

for Roper, kitchen and garden equipment maker which agreed recently to a takeover offer from Whirlpool, a competitor. Page 21 PLESSEY, UK defence and electronics group, is seeking to enter the Canadian defence market

through a C\$100m (\$79m) bid for Leigh Instruments, Ottawa-based defence electronics manufac-

LLOYDS BANK, smallest of the big four British clearers, has set up an international private banking group based in Geneva. Page

GPA GROUP, international air craft leasing company based at Shannon in the Irish Republic, has surprised creditor banks with a request to increase the amount of a financing raised last year.

BANK JULIUS BARR, Swiss bank, is lifting its dividend from 18 per cent to 19.5 per cent for 1987 following a 13 per cent improvement in net profit.

troubled West German diesel engine and agricultural machin ery group, which announced 6,000 redundancies at the end of last year, has revealed it will bly make a loss of DM285m (\$167m) for 1987. Page 21

ABERCOM, South African engineering company, has restruc-tured itself by selling its loss-making Davidson Fan unit and concentrating its operations in South Africa, freeing itself from guarantees and cancelling rental commitments, Page 21

Six die as Israeli police storm bus hijacked by Arabs

THREE ISRAELI civilians and three Arab gunman were killed yesterday after the gunman

BY SIMON HOLBERTON IN LONDON

THE UK Government yesterday bowed to pressure from currency markets and allowed the pound to rise through its unofficial celling of DM3, which has been maintained since last spring.

The pound surged nearly 5 pfennigs after it became superent that the Bank of England would not resist its rise. It closed at DM3.0475 and almost 42 cents higher at \$1.8185. The Bank'e trade weighted sterling index closed 1.4 points up at 76.2—equal to an effective appreciation of almost 2 per cent.

Treesury officials said the decision to let the pound rise did not represent a change in policy. The

BY ANDREW WHITLEY IN JERUSALEM

UK bows to currency

Sterling against the D-Mark (DM per 5)

index - ave.1975 = 100

markets pressure as

£ continues to rise

forced to close.

There was a general expecta

course of the next week or so.

Analysts said they thought the authorities' new "zone" for the pound, which could be 3 per cent to 5 per cent above DM3, would be consistent with these new.

rates of exchange.

But if the pound continues to climb the Government may be

To allow the pound to appreci-

middle of last week.

unclear by whom.

The mainstream Fatah branch

yesterday, after the gummen series of selected a bus carrying workers to order to have hostages as a shield spainst pursuing police.

This sequence of events suggests, southern ignael.

Dimona has been at the centre that the gummen had not intended any action against the producing incisar warheads.

The three gummen, demanding the release of all Palestinian practical took responsibility for the action. Senior government officials—several of whom were intended any action against the intended any action aga

Rast.

The hijacking showed "why the FLO is a disaster for both the Arabs and the Jews," Mr Shimon Peres, Foreign Minister, said.

Mr Yitzhak Rabin, Defence Minister, told the Knesset (Israel's parliament) it was "a classic example" of how the PLO differed from other guerrilla "This is the PLO's real face," he said. Mr Rabin claimed them.

may dry up as writers get in lather JORDAN over money By Louise Kehoe in San Francisco FOR MILLIONS of American television viewers, a crisis is loom-ing. Their daily menu of sexy soap operas and titillating talk shows could be replaced this week by a dull diet of re-runs and old mov-

he said. Mr Rabin claimed there Continued on Back Page

Mobil sells off retail store chain

tion among currency traders and analysts that the pound could-rise to DM3.10 or DM3.15 over the

cago chain to a group of inves-tors led by a well-regarded management and backed by GE Capital Corporation. This is a subsidiary of the US General

prepared to engineer a cut in interest rates, they said.

Officials said the Government had been faced with an increasingly difficult set of problems since pressure for a rise in the pound became evident in the middle of last week.

ate was seen as a tightening of monetary policy and therefore in line with the Government's anti-

MOBIL, the second largest US oil back to financial viability."

The deal, which is at book book on 15 years of unsuccessful diversification out of the energy business with the sale of the Montgomery Ward chain of stores in a \$3.6km deal.

Mobil said it had sold the Chicago chain to a group of invest.

Corp. was sold in 1996 for \$1.1bn.
Once a vigorous rival of Sears,
Roebuck, the largest US retailer,
the Chicago chain lagged badly
after the war and was barely
profitable when Mobil bought it.
Montgomery Ward'e revival
hegan in June 1985 when Mr Bernerd Bremen, who is leading the
management by room was sent in

Bridgestone of Japan. This deal does not yet bind

Firestone, which refused to com-

ment yesterday while it studied the offer from the Italian tyre

and cable group. It declined to speculate on Bridgestone's reac-

The agreement with Bridges

tone was made within days of Firestone receiving an approach

Continued on Back Page

in \$3.8bn deal

subsidiary of the US General Electric group which specialises in financing leveraged buy-outs. The management group will pay \$1.5km in cash for Montgomery Ward, and will also assume its debt of \$2.3km.

Mohil's stock rose yesterday as Wall Street welcomed the sale of the \$15-store chain. Montgomery Ward cost Mohil hundreds of millions of dollars in losses and some of its regulation for man-

PIRELLI OF Italy yesterday revived its apparently thwarted attempt to gain control of Fire-

stone's tyre business by mounting a \$1.93hn takeover hid for the

entire US company.

The \$58 hid for each of Fire-stone's \$3.3m shares aims at spik-

ing the \$1bn agreement in princi-ple amounced last month under which Firestone would have sold 75 per cent of its tyre business to

if the stridios exhaust a backlog of scripts which they are said to have been building up in anticipation of the strike. The Writer's Guild of America argues that what is at issue are payments made to the scriptwriters for television programmes heavily indebted of the oil majors (excluding Texaco, which is operating under Chapter 11 of the US Bankruptcy Code) since buying Superior Oil for \$5.7bn in 1984.

"By the end of this, we should have more than paid down the debt taken on with Superior," Mr. Murray said.

Mobil became a symbol of oil industry arrogance when it paid out \$1.8bn for the venerable Montgomery Ward and an associated packaging company, Container Corp. of America, during the oil crists in 1974. Container Corp. was sold in 1986 for \$1.1bn. Once a vigorous rival of Sears,

some of its reputation for management before a drastic overhaul three years ago revived the century-old retailer.

"We did something they said we could not do," Mr Allen Muriay, Mobil's chairman, said yesterday, "and that was to bring it business for sale.

Pirelli bids for Firestone

ers for television programmes sold overseas; residual payments on syndicated reruns of one-hour episodes of television eeries; so-called "overscale" payments for scripts, and "creative rights" giving writers more control over the results of their work. The scriptwriters voted to strike on Sunday after rejecting a final offer from the Alliance of Motion Picture and Television Producers which represents about 200 movie and television companies. The Alliance described its offer of \$50m as generous. No new negotiations are currently scheduled.

Thinking man's

US soaps

As television scriptwriters drew up picket lines outside the studios of Twentieth Century Fox

in Hollywood yesterday morning, prospects for the next few episodes of such perennial favourities as "All My Children" and "Dynasty" were quickly fading.

A strike by 9,000 script writers,

which began yesterday morning, will cause immediate impact to the production of the scaps, game shows and talk shows, according to television studios. Series and

movies shown at peak hours could also be affected eventually

broker bows out, Page 19

A spokeswoman for the Guild said that the scriptwriters hoped to settle the dispute quickly, "but we are prepared to go the dis-tance if necessary."

The producers said they were disappointed but not surprised by the strike. With both sides stand-ing firm, the potential for a drawn out dispute currently appears high, according to television industry analysts.

For television viewers craving a daily diet of scandal there is however a new alternative. Britain's "East Enders" began showing on several public broadcasting channels around the US earlier this year. Although the series has so far caused more confusion, with its strong cock-ney accents, than excitement, it

maintain sterling's value within During 1981, when the Govern-a fairly narrow range and put a ment allowed the pound to rise page 7; Editorial comment, Page 30; Currencies, which the Government would were unable to compete and were Page 33 London SE chief to leave. for bank chairmanship

of the International Stock Exchange in London, is the surprise choice to be the next chairman of the Trustee Savings Bank Group, the broadly based UK

banking group.

He will step down as Stock
Exchange chairman at the end of
the year and will take over at the
TSB from Sir John Read on Janury 1, 1989. Sir Nicholas will then have

completed nearly 13 years as Stock Exchange chairman, coverstock exchange chairman, cover-ing a turbulent period which has taken in the Big Bang deregula-tion and the opening of the mar-ket to international firms, together with the implementat of a technological revolution.

"I never was intent on setting a record," he said yesterday. "The new structure is now built, and I

career in stockbroking, having clation, joined the family firm, H.E.Good-son, in 1958. He will resign his will join directorships within the Parihas wanting Group, which now owns Quilter Goodison, but will remain an adviser to the group in London. He will retain his non-executive



am satisfied that it is sturdy and

Sir Nicholas will leave his ex competitive. It is time for me to officio position on the Takeover move to something new."

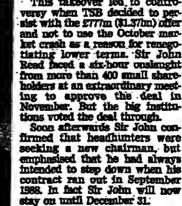
Panel and also step down from nove to something new."

Panel and also step down from Sir Nicholas, 53, has spent his the board of the Securities Asso-

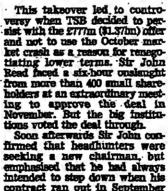
> To prepare for his new job he will join the TSB Board as a nonexecutive director on April 28.

directorships of General Accident steered the group through an would be appropriate to the TSB and the Ottoman Bank.

His decision to step down from secone a listed company and publicly quoted financial services the Stock Exchange leaves open subsequently has made major group. the question of his successor. Elections will be held in the



acquisitions, notably last year of the merchant banking group Hill



David Lascelles, Banking Edi-tor, adds: Sir Nicholas' appoint-ment was received with surprised and a general lack of enthusiasm in the City of London.

Bankers and analysts said he did not appear to have all the qualifications necessary to head a large, broadly based banking

However, supporters of the appointment claimed that Sir Sir John Read, 69, was Nicholas experience of managing appointed chairman of the TSB the far-reaching changes in the Central Board in 1980 and has stock exchange in recent years

19; Laz, Page 20

Moscow: Suburban street brawl points to

World Trade: "Opportunity Japan" a head boost for UK companies Technology Courtsulds tugs at tiny strands Methourne: Elders IXL tatapulted to interna tional prominence ... Management: Enterprise agencies "poised Editorial comment Exchange rate uncer tainty; Flawed plan for inner cities .

Edward Mortimer. The ebbing power of Levi-Lex: Enterprise Oil; Markets; Bunk Organisa

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artmore's five income unit trusts provide the

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 $oldsymbol{\mathsf{U}}$ essential income element in any investor's portfolio.

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and capital growth.

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call our Investor Services Department, free on 0800 289 336.

CONTENTS

Onk To

Editorial con Companies intl. Capital Markets World Trade Reitaln

DEMOCRAT WHOSE SONG IS MUSIC TO MANY EARS

does not fear to

UK plea for greater co-operation on armaments MR George Younger, Britain's Defence Minister, yesterday made a strong ples for more European countries, many of whom falt that the minister cooperation in armaments should have used the opportunity of curement but indicated that the 7-nation Western European union was not the right forum for such co-coveration.

The minister said that defence research and procurement but defence research and procurement but indicated that the forum of whom falt that the opportunity of the control than the fact that Nato has not, and will not have for some years yet, an interoperable identification friend or foe system in ser-

US makes final attempt to halt **Eurofighter**

THE US Government yesterday told defence ministry represen-tatives from Britain, West Ger-many, Italy and Spain, that its own alternative to the four-nation Ruropean Fighter Aircraft (EFA) would cost less than half as much with only a 15 per cent loss of operational effec-

tivenest.

But the belated attempt by the Pentagon to personale the EPA countries that they should recursider their \$35m project — agreed only days ago — in favour of one of the most ambitions US-European armaments collaboration plans ever envisaged is almost certainly too late.

ments collaboration plans ever envisaged is almost certainly too late.

EFA in intended to provide up to 300 aircraft which, will enter service in the mid-1930s as the main Nato fighter-intercepturs and ground-attack aircraft. According to figures provided by Mr. Dennis Rhosko, a deputy under-secretary of defence at the Pentagon, the EFA project will involve research expenditure of \$80m to \$100m and then cost \$50m to \$60m per aircraft. The US \$60m per aircraft. The US
alternative the F-18; will, he
claimed, require research
expenditure of only \$3bu and
cost \$24.5m per aircraft.

W Germany 'slow to shift emph. shift emphasis to growth sectors'

This was true for research and development, as well as produc-tion, the Munich-based institute said in a report on West German industry's competitiveness. Over-all, though, West Germany's com-petitive position had not become significantly worse in advanced technologies in the 1980s.

technologies in the 1980s.

If West Germany had lagged behind technologically in its specialist areas of capital goods and high-quality consumer products, it would never have been able to achieve the big gains in market share seen during the period of the D-Mark's weakness.

On the other hand, IFO added, the results of its study also "offer no reasons to show that the technological competitiveness of German industry has fundamentally improved in the last few years". Thus it warned that the latest increase in the value of the increase in the value of the D-Mark, which would continue because of the world's large trade imbalances, would have as pain-ful an impact as was felt in the

VEST GERMANY has lived export markets and at home from lown the "Eurosclerosis" tag of a rising imports. Several businessfew years ago to become the men and politicians, including world's leading exporter but its industry has been less dynamic than that of the US and Japan in shifting emphasis to such growth sectors as electronics, the IFO economic research institute said.

Looking at West Germany's performance in electronics, IFO said it had performed less well than the US and Japan in the fast-growing information and communications technology sector, but held up much better in factory automation which had, however, expanded more slowly because of the slower pace of world investment.

world investment.

Taking exports in the information and communications technology field as a percentage of countries' foreign sales. West Germany (at 7 per cent) was behind Japan (21 per cent), the US (17 per cent), Britain (11 per cent), and France (7.5 per cent). But IFO said the poor showing of West German industry should not call the seen as a weakness. west German industry should not only be seen as a weakness, as there had been a large transfer of technology to low-cost Asian countries in electronics. In a high-wage West Germany, the scope for competitive production

was limited. IFO said West Germany had been successful in adapting prod-1970s.

The report, which IFO said presented "a positive picture on the whole," comes as discussion grows in West Germany about industry's resilience at a time of increasing pressures both in the successful in adapting products of as to stay out of the reach of competition from low-cost countries. Here, it had done better than Japen and the US by having a lower share of its exports in low-technology sectors.

Search continues in Gibraltar for car bomb and IRA terrorist

rorist following the shooting incident on Sunday in which three IRA bombers were killed, write Michael Cassell in London and

Mr Younger's remarks, made

at a conference in London organ-ised by the WEU Assembly, dis-

Michael Cassell in London and Joe Garcia in Gibraltar.

The deaths occured after the three had been challenged by security forces who suspected a car they had parked in Gibral-tar's Main Street, close to the Governor's residence, contained a

Sir Geoffrey Howe, the British Foreign Secretary, told the House of Commons yesterday the car did not contain any explosives. He also revealed that the three people shot dead — subsequently admitted by the IRA to be members of an active service unit bers of an active service unit — were unarmed.

The detection of the IRA plan to detentie a bomb close to the Governor of Gibraltar's residence ment. had avoided "a dreadful terrorist act" which could have killed or injured large numbers of soldiers and civilizas, Sir Geoffrey said.

Governor's office in Gibraltar weekly guard-mounting cereconfirmed that Sunday's mony involving 50 soldiers of the
shoot-out followed a tip-off from
the Spanish police a month ago
when an IRA unit was located on
Spanish Coate of Soldiers
There had been "strong sugni-

SECURITY forces in Gibraltar ing a bombing which could have killed led to a vehicle parked in were still searching last night for a car bomb and a fourth IRA ter-figures. killed led to a vehicle parked in the Spanish town of La Linea just the other side of the border. It

The minister said that defence collaboration must embrace all the European members of Nato as well as Nato itself. It was therefore the task of the Independent of th

parked close to a school and old people's home. It was likely the As the search continued, the timed to coincide with the

when an IRA unit was located on Spain's Costa del Sol.

There had been "strong suspicions", Sir Geoffrey added, that the suspect car contained a boiltion of farm export subsidies the suspect car contained a boiltion of farm export subsidies the suspect car contained a boiltion of farm export subsidies the suspect car contained a boiltion of farm export subsidies the suspect car contained a boiltion of farm export subsidies the suspect car contained a boiltion of farm export subsidies the suspect car contained a boiltion of farm export subsidies the suspect car contained a boiltion of farm export subsidies the suspect car contained a boiltion of farm export subsidies the suspect car contained a boiltion of farm export subsidies there is the suspect car contained a boiltion of farm export subsidies through Republican areas. Police fired plastic bullets in West Beliast bullets bullets in West Beliast bullets

lower arms prices for govern-ment customers. US takes tough line against EC stance on farm trade reform.

THE EUROPEAN Community was severely criticised and warned yesterday by US politi-cians and trade officials visiting cans and trade omcass visting.

Geneva for its attitude to farm

produce trade reform.

Mr Clayton Yeutter, the US

trade representative, said the EC
attitude was unrealistic and
would lead to total chaos in agri-

The US and EC take opposite positions in current global farm trade talks convened by Gatt (General Agreement on Tariffs

were marmed.

He stressed, however, that there was no doubt that the two men and a woman had been involved in planning and execution on one of the three people involved.

fired plastic bullets in West Bellives of others were under threat. Press conference yesterday given by a team of Reagan Administration officials, led by Mr Richard Lyng, secretary of state for agriculture, and including senators,

congressmen and members of pri-vate sector advisory committees director general for agriculture in on agriculture. the EG Commission, was aggres-

on agriculture.

One aim of the high-powered sive and pugnacious.

visit was to show that US policy in the farm trade talks has bipartisan support in Congress and lish a good tone for the Gatt will not change whatever the talks, Senator Boschwitz said.

Mr Lyng and Mr Yeutter, how-Some European Governments

notably the French, have opposed holding a mid-term review of Gatt's current round of global trade talks in Montreal next December, arguing that US policy might change after the election.

Senator Patrick Leahy, chairman of the Senate committee on agriculture said produce export-ers had two choices: to co-operate realistically in trade reform or, by deferring decisions, to face a

ding Republican on the senate culture thrashed out at the Bru agriculture committee, com- sels summit last month.

Mr Lyng and Mr Yeutter, how-ever, sought to temper the out-spoken comments of senators and

spoken comments of senators and congressmen after their meeting with Mr Legras.

Mr Lyng detected a change of infed their potentially damaging among European farm leaders. He said they now recognised that something needed to be done about farm trade and that the Community budget for 1988.

The budget for 1988.

The budget for 1988.

The budget had been delayed not continue its Common Agricultural Policy without modifying it.

Both Mr Lyng and Mr Yentter feared might threaten reforms to May deadline which EC institutions.

Italy and France end **EC** budget opposition

salistically in trade reform or, ifying it.

y deferring decisions, to face a Both Mr Lyng and Mr Yeutter feared might threaten reforms to voiced disappointment at the set. EC budget contributions.

Senator Rudy Boschwitz, the thement on EC spending on agri-

EC finance ministers yesterday agreed on a compromise whereby the details of how contributions get rebate.

May deadline which EC institu-tions have set themselves. The dispute arose over how to collect the cash for the UK's bud-

Hes in



ARAB INTERNATIONAL BANK BALANCE SHEET

June 30, 1987 and 1986 (Expressed in thousands of US dollars)

MATE

ASSETS			and the first section	LIABILITIES AND SHAREHOLDERS' EQUITY		
	1987	1986			1987	1986
Cash and due from banks	39,003	46,405		Demand deposits	172,988	170,891
Time deposits	955,934	1,333,001		Time deposits	1,542,430	1,770,535
Trading securities	150,000	105,000		Accounts payable and accrued interest	60,427	53,830
Investments:			The state of the state of	Proposed dividends	6,000	7,500
Marketable notes and bonds	45,612	50,834	· ·	Total liabilities	1,781,845	
Equity participations	108,952	95,620		Shareholders' equity:	1,/01,040	2,002,756
Loans and advances, less provision	668,872	556,075		Share capital	150.000	150 000
Accounts receivable and accrued interest	24,334	31,268		- Statutory reserve	150,000	150,000
Property and equipment	33,914	28,950		General reserve	33,532	32,584
	,				60,968	60,916
	•		٠.	Retained earnings	276	897
			•	Total shareholders' equity	244,776	244,397
	2,026,621	2,247,153			2,026,621	2,247,153
Customers' liabilities under credits,			100	Liabilities under credits,		2,277,133
guarantees and acceptances	393,600	504,650		guarantees and acceptances	302 600	
Rust surces sur accelerances	373,000	004,000		Programmes and accelulations	393,600	_504,650

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Diplomat Tower – Diplomatic Area Road No: 1705 – Block 317, Manama, Bahrain, 9489 AIBBAH BN – 9538 AIBEX BN

EUROPEAN NEWS

Uncertainty over Athens strategy on US bases

A NEW ROUND of talks on the future of the four US military bases in Greece began in Athens yesterday amidst uncertainty over the impact of the recent improvement in Greek-Turkish relations on Athens' negotiating strategy. The Greek Socialist Govern-

'slow |

ctors'

e end

sition

ment had linked an extension of the bases' tenure to securing US help towards ending Turkey's 14help towards ending Turkey's 14year occupation of part of Cyprus
and in fending off Turkish claims
to extended sea and air space
rights in the Aegean. The current
agreement on the bases' operation expires next December.
Washington had declared its
opposition to linking the bases
with the Aegean and Cyprus
before the start of negotiations,
Last month, however, Dr
Andreas Papandreou, the Greek
Prime Minister, declared that
"the triangular relationship
whereby Greece has pressured whereby Greece has pressured the Americans to pressure Tur-key to solve our problems has

He was speaking three weeks after a landmark meeting with Mr Turgut Ozal, his Turkish counterpart, in which the two leaders struck a "no war" pact and agreed on a series of mea-sures to ease bilateral tensions.

been historically overtaken by



Mr Ozel in Brussels at the end of explained that he had not implied a change in Greece's negotiating said, however."I do not have the feeling that this triangular game can be as effective as it might have been in the past." This implies that the beart may have gone out of this strategy.

Ecevit quits as leader of left-wing party

MR Bulent Ecevit, a former Turk-ish Prime Minister and a national hero when he ordered troops into

hero when he ordered troops into Cyprus in 1974, stepped down yestenisy as head of the Demo-cratic Left Party (DLP) but yowed to stay in politics, Reuter reports from Ankara.

"The most challenging decision I have ever made in my political life is resigning from the DLP leadership," the three-times premier told a party congress.

The DLP's fortunes have been Reclining amid squables with the main opposition Social Demo-

declining amid squabbles with the main opposition Social Democrat Populist Party. (SHP) which have hurt the image of Turkey's encepowerful left.

"If there are people who think my resignation means abundoning the DLP they size as wrong as those who claimed I had abundoned the Republican People's Party (RPP)." Mr Result said.

The DLP is successor to Mr Result's RPP, which was benned with other political groups after an army coup in 1980 ended chaos in which mean than 5,000 people were killed.

The DLP, which advectes a Western type of democracy with

Western type of democracy without any restrictions but has no
coherent economic policy, failed
to win any parliamentary seats
in last November's general elecin labour as companies become
the mammoth Lenin Komsories have recruited from all
around the country. Since 1971
should in theory force cuthacks
in last November's general elections, the most open since the
more cost-conscious. In the past, the relative attractions of the
however, industry has sought to Seviet capital. Once there, how-



Soviet move to aid co-operatives

THE SOVIET authorities have published a draft law on co-opthem equal rights with the state sector, freedom from price controls and permission

to trade abroad.

More than 8,000 co-opera-tives employing around. 200,000 people have been set up in the Soviet Union since Mr Mikhail Gorbachev cased restrictions on non-state con-trolled economic activity

Union for some time to come.

Christopher Boblnski on the problems of

the limitchiki.

workers drafted into the Soviet capital

beginning in 1986.

The sponsors of the law evidently hope that the co-operatives which already function in the service sector will also undertake production of con-sumer goods, the lack of which is a severe embarranement to Mr. Gorbachev.

The Soviet Union has seen the establishment of co-opera-tive restaurants, medical clin-

companies recycling waste and producing industrial goods. The co-operatives which are jointly owned will be able to issue shares to their members

as well as employers.

Under the law the Government will seek to keep profits in line with public policy through taxes rather than direct instructions as has been the case traditionally.

Matched against the vast scale of the Soviet economy

attracted criticism from conservatives pointing out that profits are too high. Practice until now has

shown that they have been

hampered by bureaucratic restrictions. For reformers, they are designed to prove that a sector independent of central control and working on a profit and loss basis can produce results.

Moscow street fight points to labour problem

expand through building up its ever, they are trapped in hostels, work force rather than through with little chance of other hous-

mechanising output. The labour ing, at the mercy of work super-shortage and its attendant prob-lems will be with the Soviet easily be revoked and they would rict started, as ever, when local youth in a discotheque objected to the Uzbekhis dancing with "their" girls. When news of the row reached the hostel the inhabitants streamed out on masse

easily be revoked and they would then have to return home.

Other limitchiki leave their jobs to seek better employment and are forced to pay off hostel managers to maintain an uneasy semi-legal foothold in the city.

The Moscow party leadership has sought to stem the influx, pointing out that the city's population, now at almost 9m, is a million greater than had been foreseen by the planners for 1990 with all the attendant strain on welfare facilities.

As early as 1971 Moscow planned to move 327 plants out of the started, as ever, when local youth in a discotheque objected to the Uzbekhis dancing with "their" girls. When news of the row reached the hostel the inhabitants stramed ont en masse onto the snow-covered open ground for the battle.

Violence as such is not new in Moscow. There were fights when Spartak, the top Moscow football team, played Dynamo from Kiev. Groups sometimes come in from outlying districts to the city proper to "sort out" Moscow planned to move 327 plants out of

its work force is larger than that of its neighbours.

The fight in the Pechatniki district started, as ever, when local youth in a discotheque objected to the Uzbekhis dancing with "their" girls. When news of the sure way of securing the right to stay in a city where women out-number men. Five years' work in the city gives them the right to stay. But there is also the problem of finding housing to escape from the crowded hostels.

Some chose pregnancy outside marriage to try to get a llat more quickly. If they fail, then mother and child stay in the hostel, making conditions all the worse. Otherwise a single woman can only planned to move 327 plants out of

But it is also fairly clear that
the city, but only a few have
actually done so. Those remaining the hostel, where several
ing have grown, as a factory's
pull in the struggle for resources prefer that it was inhabited by
and benefits is all the greater if Europeans rather than Asians.

Main Austrian bank appoints chairman

CREDITANSTALT-BANKVER- their supervisory boards, which

Mr Hannes Androsch resigned in January as chairman of the

hoard.

The appointment ended weeks of political speculation. The chairmanship of Creditanstalt, of which the Austrian State is majority shareholder, is politically capacitive.

cally sensitive.
Mr Schmidt-Chiarl, 55, who joined Creditanstalt in 1958, takes over the bank as the Socialist-led coalition government is slowly introducing a cautious privatisa-tion of the State-run industries and the banks.

Banking sources say that, in time, this privatisation will reduce political interference so that non-political appointments will be made, and people chosen, tive ability rather than through

The chairmen of Austria's other State-owned banks are also political appointees, elected by

EIN, Austria's largest bank, yes-terday appointed Mr Guido senting the conservative People's Schmidt-Chiari, deputy chairman since 1981, as chairman of the toard.

Party and the Socialist Party, respectively the junior and senior parties in the governing coali-

Mr Schmidt-Chiari - who is well known in international benking circles, particularly in securities operations and international relations — is regarded by his peers as cautious and sound. His appointment is expected to bring a period of calm to the bank after often critical publicity during Mr Androsch'a last few months as chairman:

The latter, a former finance minister and vice-chancellor in the socialist government between 1970 and 1981, resigned from Creditanstalt after a court in Vienna found that he had lied to a Parlia-1981 over tax irregularities.

continuing in the coalition government over who should have the chairmanship at the Austria National Bank. Mr Stefan Korer

Do seat belts restrict your thinking?



Somehow you can't quite imagine Albert Einstein mulling over a mind-bogglingly brilliant concept strapped into a plane with a pre-packed lunch on a plastic tray.

Or Wolfgang Amadeus Mozart composing his Horn Concerto in Eflat in a car in a contraflow

Can you picture a tycoon planning his next take-over whilst overtaking in the rain?

Some forms of transport, it seems, are just not conducive to constructive thought.

Consider an alternative. Consider InterCity.

First Class passengers sit relaxed watching Britain whizz past at up to 125 miles per hour.

They order food and drink from attentive waiters.

Briefcases snap open. Reports, previously rendered incomprehensible by jangling office phones, suddenly make sense.

Someone scribbles figures on a scrap of paper, devising a budget with tax at 20 pence in the pound. (We should be so lucky.)

Someone else attempts to recall Arnold Palmer's 18 best golf holes in the world.

Crosswords are cracked, often in record time.

A brilliant response to Karpov's latest opening gambit comes like a bolt from the blue.

People catch up on their reading, go for a stroll or formulate strategies. They arrive feeling fresh, relaxed, more alert.

Their minds have been stimulated, sometimes by doing nothing. Makes you think, doesn't it?



Shippers try to beat pirates in Lebanon

trying to set up a taskforce to combat the rising incidence of cargo theft in Lebanon.

The International Maritime

Burean (IMB), a division of the Paris-based International Cham-Paris-based international Chamber of Commerce, is appealing for £80,000 from private shipping and insurance companies to fund an investigation of Lebanese piracy.

Mr Eric Ellen, director of the IMB, said that the problem of ships "deviating" into Lebanese ports controlled by Christian or Moslem milities was accelerating.

Moslem milities was accelerating.
"Since governments can't stop
it, it's time for industry to do
something," he said.
The IMB said that at least 15

INTERNATIONAL SHIPPERS are PVC pipes, destined for consignitiving to set up a taskforce to ees in other countries, have been

fraudulently sold.

Sela'ata, a port south of Tripoli, has featured in a series of vessel deviations, and at least three other small ports in Leba-

non are known to receive stolen cargoes, the bureau said. In a typical case, a ship bound from Ghana to Alexandria put into a Lebanese port in May and sold its entire 1,000-tonne cargo of cocoa beans, worth \$1.6m, to local buyers. The ship owner and the crew, whose whereabouts are unknown, are thought by the IMB to have shared the proceeds. Cargo owners are finding that insurers refuse to pay out for

ships, carrying cargoes worth at least \$30m, have been diverted into Lebanese ports while passing through the Mediterranean.

Moscow protesters jailed

SIX participants in a demon-stration in Moscow on Sunday calling for the destalinisation of Soviet society have been seutenced for public order The six were given prison terms ranging from five to 15

demonstrators are due to appear in court tomorrow on similar charges, according to Mr Jurij Mitirnov, a member of the Perestrofka 88 group which organised the demon-

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EC unemployed total rises

THE TOTAL number of unemployed in the 12 European Community countries rose to 16.7m in January - up by 2.6 per cent from December but 2.7 per cent down from the total for January 1987, tha EC's statistics office Eurostat said, Renter reports

from Brussels.

It said the increase was due mainly to seasonal factors. It did not give the unemployment rate. The unemployment trend continued downwards in the Nether-lands, Belgium and Britain, it

Dukakis machine

Bush basks in Reagan's reflected glory in Miami

MR Jorge Mas Canosa is Mr As President, Mr Reagan recog- LBA were targeting politicians Cuba-America in Miami. A busi- nised what remains the para- with campaign contributions to

prominent Cuban-American. "he can raise thousands of dollars in

Cuban-Americans are one of the US postwar success stories.

Cuban-Americans arrived in Miami some 25 years as political and as such they do not see themselves as immigrants. Educated and industrious, theirs is one of the great post-war US eco-nomic success stories.

The lucky beneficiary will be Vice President George Bush. This illustrates a key point ahout today's Super Tuesday elections - however much Mr Bush's link to President Reagan may have hurt him early in the campaign, it helps him no end in the South. In Hispanic eyes in this part of the US, Ronald Reagan comes close to deity. "He gave us a hearing after (President) Carter," said Mr Domingo Moreira, a director of the Cuban-American National Foundation, the umbrella lobbying organisation set up by Mr Mas Canosa. "Reagan helped the Cuban-American

nessman by vocation, he is also ment believing voice for the Hispanic community in the city, a lobbyist with well-oiled connections in Washington who can count President Reagan as a close contact.

Every presidential candidate, Republican or Democrat, would like Mr Mas Canosa's endorsement. "When he picks up the phone," said Mr Alfredo Duran, a prominent Cuban-American. "he which breadcasts to Cuba.

Inseed what remains the paraments further their economic goals, in this case development projects around the city.

Other recent demonstrations of Cuban political clout include the torpedoing of a fellow Hispanic lawingker's proposal to repeal a local English language only law he backed the creation of Radio station city); the sinking of a plan by the English-speaking business leader-

Joe Pena, a Hispanic expert on mission to open 2,900 acres to the staff of Democrat US Senator development. Lawton Chiles of Florida, reckons Some have likened the Cuben there are 165,000 registered His-strategy to that used by the Bos-panics, more than one quarter of ton Irish at the turn of the 19th the total electorate. Four in five century who banded together at are Cuban-Americans, and nearly the bottom of the political all of them can be relied upon to

which broadcasts to Cuba.

However, subtle shifts are occurring in this bastion of anti-Communism. Mr Charles Canady, a veteran campaigner who has served Senator Chiles for 18 years, says that the Hispanic community in Miami is channelling its energy increasingly into local as well as national politics.

In 1985, Mismi elected its first Cuban-American mayor, Mr Kavier Suarez. In a week-mayor sys-tem like Miami and Dade County, that may not count for much; but it should not deflect from the growing behind-the-scenes influ-ence of select Hispanic business-men exercised through the Cuban-American National Foundation and the Latin Builders Association (LBA).

In a recent series, the Miami Herald showed how expatriate anti-Communist Cubans in the

English-speaking business leader-In Dade County, which encom-passes Miami, Mr Reagan's good Symphony Orchestra; and a 1985 works should pay dividends. Mr decision by the Metro-Dade Com-

> of it. As the dream of toppling Cuban energies are likely to focus inside rather than outside the US, and that means we shall hear a great deal more about Mr



poorest regions of the US, a region in which thousands of Mexican immigrants, legal and illegal, and thousands more Hispanic American citizens, live in poverty, writes Stewart

A recent study by the Southwest Voter Research Institute concinded that the poverty rate among Texas Hispanics is rising alarmingly, partly because of budget cuts by the Reagan Administration. Unlike Florida's wealthy and entrepreneurial Cuban Hispanics, the Hispanic vote in Texas is overwhelmingly Democratic and the main Democratic candidates have been pursuing it

Governor Michael Dukakis in particular has regularly spoken to Hispanic groups, making the most of his finency in Spanish and sharply chal-lenging the Administration's

say they are disillusioned with the extent to which they have been able to make their voices heard in the political dialogue in a state which has traditionpoor, particularly if not white.

A state Democratic party
dominated by conservatives
(with several outstanding exceptions) has not been fertile ground for Hispanic voters, leading some civil rights organisers to begin building coalitions outside the party.

Super Tuesday, Primaries And Caucuses

hierarchies.

To win the enthusiastic support of Texas Hispanics will be particularly valuable to a Democratic candidate, however. Carrying Texas in the election will be a formidable task for any Democrat, particularly if Vice President George Rush, who claims Texas as one

Demogratic and Republican

Democratic only

Bush, who claims Texas as one of his homes, is the Republican candidate. A strong appeal to Hispanic: voters would also buttress the Democrat nomi-nee in southern California.

cuts swathe in North Carolina ON THE county fairgrounds, in a

large hall pungent with the smell of barbecue, the Old South unex-pectedly clasped to its reno-pheblic bosom a Yankee would-be President - Governor Michael

The masterful Dukakis cam-paign had produced a rare show for the Davidson County, North Carolina, Democrats. Few had ever seen a presidential candi-date before, and the stage for the performance had been set with

Children romped on the bales of hay set up near the stage for "photo opportunities". A local hand wailed out country music, and a sense of building excitement was palpable. When the Governor finally appeared,

Governor finally appeared, looking slight and ewarthy among the crowd of local political powers, the tense expectation turned to heated applause.

Governor Dukakis, as ever the passionless but genial technocrat, played the crowd skillfully. A few self-deprecating jokes were followed by a promise of jobs with good wages and a promise to "make America number one again." When he wowed "to bring again." When he vowed "to bring integrity hack to the White House." the crowd erupted in a

"Tve got a good feeling in my gut," a local organiser told him when he departed an hour later. "I feel pretty good myself," he repiled — with good reason. If he carries North Carolina, the third most populous state in today's Super Tuesday extrava-ganza (and one poll has him lead-ing all rivals but the Rev Jesse ing all rivals but the key Jesse Jackson), and if he can do well in the rest of the South, Mr Dukakis will have fortified his position strongly for the primaries ahead in the large Northern states.

The state was targeted early by the Dukakis organisation for particular effect.

ticular effort. Two decades of progressive North Carolina governors, emphasising economic development and capitalising on the presence of three prestigious miversities, have produced a prosperous, balanced economy not dissimilar to that of Massa-

chusetts.

Both are coastal states with mountains in the west and beaches to the east, where environmental concerns run deep. The central section of North Car-olina, the Pledmont, has long attracted settlers from the North who brought with them factories and high technology industries. Hir Sam Taylor, press spokes man for North Carolina's Com-merce Department, said Gov Dukakis'e claim to having created 300,000 jobs in seven years produces some chuckles in a state which has added the same lier victories and a clear image There are pockets of discontent, however, particularly in the textile industry — the state's largest single employer — which is potentially fertile ground for the populist/protectionist mes-

eage of Congressman Richard Gephardt But the Gephardt message must first be heard, and funds are running low. The Congress-

campaign office until nine days before the primary, and his advertising was not due to start until just a few days later.

In no way can Mr Gephardt match the resources Mr Dukakis has thrown into the state, where he has had nine paid professionals cultivating local organisations for months, 40 of the 100 counties organised and an 86member steering committee.

Organisation and money are key in a state like North Carolina, where voter apathy is rife and few Democrats can name their party's candidates. The Rev Jesse Jackson is well known and can easily lay claim to e black base, which comprises 20 per cent of the vote in general elections and perhaps more in primaries



Gore of neighbouring Tenner the uninterested electorate, although his 30-second television

for several days. Even among the more politi-cally aware, the Senator seems to have been hurt by his poor show-ings in the Iowa caucuses and the New Hampshire primary. "I hate to vote against a Southern person, said Mrs Voncile Moser of Thomasville, a Dukakis sup-porter. But we've got to have a

However, Mr Gore, who leads Jesse Jackson in one private poll, cannot be written off in North Carolina. His endorsement by the state's popular Senator Terry Sanford and former Governor Jim Hunt brought with it an important statewide network of county leaders and contributors.

But rival organisers say his campaign has failed to exploit that network, and they criticise his television advertisements which do little more than intro-duce him as an attractive Southerner. In fact, his rather exagger ated claims of having been a farmer and a small businessman - both while working as a journalist - may return to haunt him if he progresses beyond the

Gore, says a Republican analyst, "can't get the pilot light going." Governor Dukakis kindles little more passion, but his New Hampshire win and his Massachusetts accomplishmants have brought him respect. As Sheriff Paul "Jaybird" McCrary of Davidson County explained it: "When I heard he was putting people on welfare back to work, I knew he was our man."

Cuomo's stirring song is music to many US ears

EVER SINCE Mr Paul Kirk, the Demo-cratic Party chairman, rapped him over the knuckles late last year for stealing the limelight from the party's presiden-tial candidates, Governor Mario Cuomo of New York has reduced his public speaking engagements and kept a com-

Yet there he was, exactly a week before Super Tuesday, a long way from home, joking with an audience at Trin-ity College in San Antonio, Texas that he was "the only out-of-town politician BY STEWART FLEMING

in the South who is not looking for a better job."

Indeed, until his surprise declaration of non-candidacy on a radio talk show just over a year ago, most observers reckoned he would be in the thick of the race this spring. His impressive keynote speech to the Democratic convention in 1984, followed by the magni-tude of the party's defeat in the presidential election, antomatically put him in the front rank for 1988. His consistent denials notwithstand-

ing, speculation persists that he would take a better job if it were offered. This is based on the presumption that, some how, the Democrats will not find the answer to their prayers, either today or in the weeks ahead, and that this will inevitably lead to another wave of conjecture about a dark horse candidate emerging between the California pri-mary in June and the convention the

History suggests it does not work this way and that candidates with delegates, rather than the backroom power-brokers, are ultimately decisive

Autolatina nears

victory on prices

AUTOLATINA, the Brazilian fied on the grounds that Brasilia holding company for Ford and Volkswagen, is in sight of victory in its battle for the right to set its own prices for cars and trucks.

Lawyers for the company were yesterday in Brasilia agreeing the terms for the withdrawal of an action in the Federal Appeals Court which attempts to force

Export targets. It provoked fury from Mr Luiz Carlos Bresser Pereira, the then action in the Federal Appeals in an interim verdict Since then Mr Bresser's suc-

Court which attempts to force the government to adhere to an agreement leaving pricing to the

over Brasilia

BY IVO DAWNAY IN RIO DE JANEIRO



Will Cuomo run? It's all in the mind, so far at least

US pressure

ing to establish himself as the Demo crat with the most comprehensive vision of where the party ought to be leading a troubled America. in doing so he is also prepared, both implicitly and explicitly, to criticise the declared Democratic contenders.

ocratic contenders.

"If I were a candidate...." Mr
Cuomo began to tell his audience of
well-heeled Texas conservatives, only
to be interrupted by a spontaneous
round of applause. "No, no," he broke
in, shuffling through the pages of a

and, judging from his performance at speech in which he had begun to paint Trinity College, Mr Cuomo himself, at a disturbing picture of an America least, toys with the prospect. In particular, he shows no reluctance about trye i have another speech here. This one says everything in America is terrific, give me a shot and I'll make it better."

It was not the only defi critique he offered of the Democratic candidates. To applause from the audience, particularly when he suggested levying an oil import fee and raising taxes on alcohol and cigarettes, Governor Chomo insisted that new revenues would be needed to tackle not just the budget deficit, but also the social priorities the

Reagan ideologues have neglected.

On yes, he suggested, taking aim at a painless idea for tackling the problem put forward hy Governor Michael Dukakis of Massachusetts, the Demo-cratic front-runner, one should begin to collect delinquent taxes. But such an effort would "only raise \$35n.\$45n, if you did that much," he added, punctur-ing the implication of the Dukakis mes-sage that \$1005n are waiting to be

picked up.

Beyond these barbed asides, Mr Cuomo's case is similar to the theme of ech to the San Francisco convention four years ago. America, he says, needs to conclude a new social con-tract, begin to realise "the daring prom-ises of the Declaration of Independence... opening ever wider the circle of opportunity," and reversing the process by which "our relative position in the world has begun to dimin-

course we need a strong defence; it is

we need a strong defence? Of

our first and most imperative requirement," said a man evidently deter-mined to avoid being tagged as just another Northern liberal. But, he went on: "For fifty years we strong enough to help people without sufficienting private initiative. It worked for millions and millions of Americans who came here, like my father and mother, and found a Government good enough and strong enough to take care of the whole country, to bring water to farmers in the Southwest, to rebuild neighbourhoods in New York City, to educate children in Mississippi. . . . to care for the retired teacher in Phoenix

is very much the ethnic politician from the multi-ethnic state of New York

In order to be competitive in the next century, America must "teach the whole nation to think for a living," he says, adding of the disadvantaged: "We must help them to help us, we need their strength to deal with the new challenges confronting us," and we cannot afford for so many of them to be a urden on society.

Anxious Americans are thirsting for

Annous Americans are turisting for a leader who can lift their eyes to new horizons and attack the narrowing of economic opportunities and the ugly manifestations of social decay which working class people fear are spreading beyond the ghetics where the under-

beyond the ghettos where the under-class live.

This is evident from the remarkable
political strength shown by the Rev
Jesse Jackson in many white working
class precincts, and to a Jesser extent
by the success of the Rev Pat Robertson's presidential campaigh.

Governor Cuomo had long ago parked
up these vibrations, although he, too,
may have been surprised by how
strongly they are now resonating
through society. He continues to insist

through society. He continues to insist didates are as good a field of candidates as he has seen and that ultimately one will acquire the patina of charisma which proximity to the White House

But, as a committed public servant, he must ache to do more than make speeches about challenges which he is able to define and articulate so much more compellingly than the Democrats who are actively seeking the presi-

Peru to introduce tough economic policy

on Panama canal tolls

THE PERUVIAN government is poised to introduce a tough economic adjustment programme, intis, except for basic foodstuffs abandoning the economic strategy it has followed since July 1988.

Exporters are to receive 63 intis and importers will pay 90 intis, except for basic foodstuffs and medicines and certain industries. By Kevin Brown, Transport THE PANAMA Canal Commission will decide later this week

President Alan Gercia was due

The devaluation will be accomto outline the new policy, which panied by steep price rises - petis a rejection of the country's hetis a rejection of the country's hetis a rejection of the country's hetinode, in a nation wide television ble, and the sales tax will go up
to 20 per cent, bus fares will double, and the sales tax will go up whether to stop accepting toll payments drawn on local banks, a senior official said yesterday. Mr Michael Rhode, the Commission secretary, said a decision was likely tomorrow if the constitutional and financial crisis in

Panama continued.
The Commission, the US Government agency which runs the canal under a 1977 treaty, has been unable to process toll payments since all Panamanian banks were closed on Friday. Shipowners said changes in the toll procedure would be unlikely

manufacturers.

The deal, which is expected to be announced formally shortly, will end the most serious clash between the Brazilian government and multinational companies in recent years.

The status quo to continue. Last week Dr Wolfgang Saner, Antolationa's president, went to Brazilia to discuss the case and Mr Carl Hann, president of Volkswagen worldwide, was due to make a courtesy call to President Jose to cause serious problems. The intis. The dispute began in November when Autolatina ignored an officially authorised government to price rise of 10.8 per cent and lifted its charges by 28 per cent. The defiant move, which stunned a monthly basis in return for a without move of the court action. for payments to be made either by drafts drawn on certified for-eign banks, or through the Commission's US bankers. They said the dispute was not

greatly important to the future of the canal, since average pay-ments work out at only around

model, in a nationwide television ble, and the sales tax will go up to 20 per cent from 7.5 per cent. Mr Gustavo Saberbein, the To compensate, the minimum Minister of Economy and monthly wage will more than a national broadcast tonight.

The programme includes a rates will jump to 55 per cent from 32 per cent. The supply of dollars available trates, followed by a six-month wages and prices freeze. The basic official emhange rate of the incaks will be eliminated, according will be cut by 26.5 per cent, from 33 intis to the dollar to 45 President Garcia's Economic intis.



Garcia: to unveil policy

Peru's inflation rate has been heading for 300 per cent, registering 12.8 per cent in January and 11.8 per cent in February.

The Government is attempting to protect the poorest sectors of the population and place the burden of adjustment on the middle

Mr. Carbonetto estimated that ident's adviser, is "heterodoxy frer these measures inflation in within orthodoxy," and, therefore, he added, "we will probably after these measures inflation in March could rise to as much as 40 per cent. But a price and sal-ary freeze will also be immediary freeze will also be inductionately imposed for six months to country was at war against sub-help bring inflation down to version, it was politically impossible to do otherwise.

of its few dollar resources to number of mistakes in its eco-industries that produce for expert and for basic "social" pro-duction.

The covernment had made a number of mistakes in its eco-nomic policy, most pointedly in not promoting exports and in delaying a recassionary adjust-

"This is an orthodox adjustment and it's brutal, but it's import financing will be tied indispensible," Mr Carbonetto directly to export income, Mr saled.

Exports must be promoted to President Garcia is expected to announce some Cabinet changes, though Mr Saberbein, who most analysts predicted would go, is staying on.

be accused of populism."

But he said that given that the There will be a strict allocation the Government had made a

class. This, according to the pres-

Canute James reports on the sternest test of President Balaguer's power

Dominican Republic erupts in violence

ments work out at only around
\$450 for the largest ships able to
transit.

There was also little support
for US suggestions that the management of the canal had
declined since 1977 because of
political specific argoniments to anchlary services by the Noriega
regime.

The canal has so far been unaffected by the political nursest.

In Washington, the State
In Washi

SHANGRI-LA INTERNATIONAL IN SINGAPORE One of the world's best hotels. Shangri-La hotel SHANGRI-LA INTERNATIONAL: . LONDON (01) SH 4217 . GERMANY (0130) 6649

other manufacturers, was justi- withdrawal of the court action.

Pakistan fights | Islamic fundamentalism makes its mark in Philippines hard for Kabul interim coalition

BY WILLIAM DULLFORCE IN GENEVA

ress. The other side has got to make the progress."

Mr Noorani said he was looking for co-operation from the Kabul Government and Moscow to ensure that there should be calm and peace in Afghanistan when the Soviet forces withdrew.

Pakistan has been insisting that the Soviet forces withdrew.

Pakistan has been insisting that the Soviet withdrawal be synchronised with the establishment in Kabul of a broadly based interim government including representatives of the mujahi-

deen guerrillas.

Mr Noorani had apparently not changed from this position yesterday after his flying visit to ther talks yesterday.

the supply of the weapons, nearly 40 of which have hit the Iranian

capital in the past week. Several students who climbed over the wall of the embassy compound were quickly evicted would be a comparatively simple in an incident which, nevertheorem operation that the Iraqis could less, evoked memories of the sei-probably undertake themselves zure of the US embassy in 1979. although the rockets might have.

Amid clear indications that the been supplied by North Korea, Iranian leadership had been

Pretoria expels neo-Nazi police By Anthony Robinson in

PRETORIA has given its first slap on the wist to the neo-Nazi Afrikaner Weerstands-beweging by expelling seven known AWB members from the Northern Transvaal police

reserve.

The moves follows years of ignoring the extreme rightwing views of both regular and reserve policemen. This has been most marked in strategic

der areas.

Despite the formal ban on members of radical political organisations belonging to the security forces the Government has seldom expelled. ment has seldom expelled extreme right-wing policemen. This reticence even extended to ignoring several instances where the police failed to take effective action even when uniformed AWB bullies broke up the political meetings of Cabinet ministers such as Mr Pik Botha, the Foreign Minister or Mr P.W. de Klerk, the Transvaal leader.

Richard Gourlay on an Imam's controversial foray into local politics

IN A REMOTE Moslem corner of the southern Philippines, teachers of Islam have made a controversal foray into party politics by winning office in the recent local elections.

The move has not only disturbed the small Christian minority and the traditional lay Moslem politicians. It is also threstening to provide a more threatening to provide a more fundamentalist foundation for PARISTAN was still fighting for Islamabad at the weekend. There a compromise over the crucial he attended talks between the been sporadically fighting for issue of an interim coalition gov-

ernment, when negotiations the simed at achieving a years.

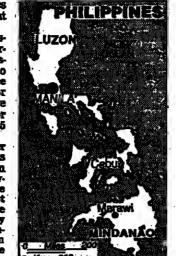
resumed here yesterday on the withdrawal of 115,000 Soviet istan.

Asked if he had made any progress in a two-hour morning session of indirect talks with Mr Abdul Wakil, his Afghan counterpart, Mr Zain Noorani, Pakistan's week, under which Soviet forces in month to become the Mayor. He nearly find the proposition of the Complete forces ince, even before he beat the almost completed in Geneva last administration's candidate last week, under which Soviet forces in month to become the Mayor. He nearly finded party would start pulling out 60 days, set up the nearly finded party.

Abdul Wakil, his Afghan counterpart, Mr Zain Noorani, Pakistan's deputy foreign minister, declared:
"I do not have to make any progress."

Mr Noorani said he was hooking for cooperation from the Kabul Government and Moscow to ensure that there should be calm and peace in Afghanistan when the Soviet forces withdrawal be refused to make the progress."

Week, under which Soviet finesal month to become the Mayor. He would start pulling out 60 days set up the poorly funded party defends of fellow Imams from complete the withdrawal within mosques throughout the province nine months with half their forces leaving in the first three and some lay Moslems. For the minutity Christians in the city, the Omnia party looks the present Communist regime in the city, the Omnia party looks the present Communist regime in the pullout conditions of a cogli-the the Soviet withdrawal be itomal on the formation of a cogli-tion government. Their position



a priest who has maintained a tenuous toe-hold for the Catholic church in the city for more than

ance, fears Father Michel Gigord,

a decade.

Traditional Moslem politicians "influenced" by Islamic law while on the other hand, perhaps sensitive properties of the Philippine constitution.

Shandong wants its cadre promo-tion systems overhauled.

ing their days were numbered, tution. "We are trying to reform probably only approve autonomy say the Omnia party is demeanthed exercise of politics here," he for the six provinces where there is a Moslem majority. This is a told voters that the Koran outlaws party politics. For Dr Murian, however, Mar-

awi City's lack of telephones, street lighting, and drinking water, its potholed roads and water, its pointoled roads and neglected schools are testimony to the corruption of the traditional politicians he has now started to unseat. "We are almost in a medieval age," he says. "We are a place forgotten by time."

Only participation in politics by the imams could remove the corrupt politiciens who have ween

and much more, from poblic funds when in office, Dr Mutilan from Albazar Islamic university in Cairo, Mr Mutilan plays down any Islamic fundamentalist ambitions and says he does not want to introduce Shariah law. His idea is to run an administration

corrupt politicians who buy votes - up to \$50 a vote at the January polls - and then recomp the cost,

Apart from bringing a winn or far try from the 20 provinces in-integrity to an area kept on its tially described as the "Moro knees by morally bankrupt offi-bomelands," or the 13 provinces cials, he is also likely to be a strong advocate for the Moslems.

from the three rebel groups thing for his constituents takes

ing legislation for autonomy in years.

Moslem Mindanao that is called Duri

At seven per cent of the population, they make up the country's
largest and most turbulent
minority.

For the moment, Dr Mutilan
has carefully distanced himself sounds as if he might do somethird for the three robots.

which have been at the forefront on a greater significance.

of the Moslem insurgency since about 50,000 people died in the early 1970's at the height of the their fingers in the till in collusion with Manila. For this Dr. A shaky ceasefire has largely been observed since January Sultan Ali Dimaporo, a loyal Marine legislation for automomy in years.

Moslem Mindanao that is called During Dinaporo's term, nonfor in the new constitution.

However, the largest rebel of nowhere because Manila allogroup, the Moro National Liberacian Cated cement by village. During the Moro National Liberacian Cated cement by village. During the Moro National Liberacian Cated cement by village. During the Moro National Liberacian Cated cement by village. During the Moro National Liberacian Cated cement by village. During the Moro National Liberacian Cated cement by village. During the Moro National Liberacian Cated cement by village. During the Moro National Liberacian Cated cement by village. During the Moro National Liberacian Cated cement by village. During the Moro National Liberacian Cated cement by village. During the Moro National Liberacian Cated cement by village. During the Moro National Liberacian Cated cement by village. During the Moro National Liberacian Cated cement by village. During the Moro National Liberacian Cated cement the Cated Cated

Lanso lake but the old dirt tracks remain undisturbed. In addition, Sultan Dimaporo raided the local university's budget to build a pri-vate army called the "Baracu-das", his political enemies claim.

Mr Dimaporo denies these charges, saying the funds were pilfered before they got to Marawi. But Dr Mutilan maintains that if this is true, it could only have happened if Mr Dimaporo rumbling like a semi-dormant was in cahoots with officials in volcano in the background, the election of a mayor who actually sounds as if he might do something for his countries and something for his countries and some thing for his countries and some things for his countries are also some things for his countries and some things for his countries and some things for his countries and the some things for his countries are the some things for his countries and the some things for his countries are also some things for his countries are also some things for his countries are also so that the sound his countries and the sound his countries are also so that the sound his countries are also so local henchman.

Dr Mutilan is unlikely to give Manila such a smooth ride. The anti-corruption drive thet made him mayor in a forgotten town of 80,000 people is inspired by concern for the four million Moslem Filipinos, whose demands he says continue to be ignored in Manila. His zeal is backed up by an implied threat.

Gulf war missile barrage upsets Soviet-Iran ties

BY OUR MIDDLE EAST STAFF

STRAINED relations between the shaken by the blitz, which has STRAINED relations between the Soviet Union and Iran resulting from the Iraqi missile barrage on Tehran, Mr Mohammed Javed Larijani, the Depaity Foreign Mincoming out in favour of an arms embargo against the Islamic Republic, Western diplomats believe.

Moscow yesterday protested that demonstrations outside its Ivanian soil."

that demonstrations outside its Iranian soil."

embasssy in Tehran on Sunday had threatened the life of its dipage. lomatic personnel, Tass news agency reported. For the second time it denied responsibility for

Despite Soviet denials, military analysts still believe that they are Soviet manufactured Skud Bs boosted by "strap-on" rockets giving them the range to reach Tehran. It is 290 miles from the front compared with the weap

Enhancing their capability would be a comparatively simple probably undertake themselves although the rockets might have

PART-TIME MANAGEMENT CONSULTANTS SECURE TWO COMMISSIONS Chinese consultancy launched

areas such as the Northern Transvual where farming com-munities are intimately tied in with the overall security net-work protecting farms in the Zimbabwe and Botswana bor-

wants assistance in drafting government subsidies. Professor selection procedures for the civil Xu explained that the lack of service, while a coal mine in government funding means that government funding means that we have the right to choose our

Professor Xu Liancang – "We are interested in giving secretary-general of the Chinese Psychological Society when not a management: consultant — some management," said the admits that assessing officials professor.

purely on their work skills is a Just as China'a Communist

touchy matter in a society that had previously thought it better many stage of socialism," the proto be well-red than well-read.

Farty reckons that is in the "primary stage of socialism," the proto be well-red than well-read. "It is still very sensitive. That tre's director, consider that the is why psychology and sociology country is in the primary stage of suffered during the Cultural Rev. suffered during the Cultural Rev-olution and even before that. It Western techniques before it can was thought to be a sign of bour-consider using Japanese managegeois ideology," Professor Xu ment techniques.

Both academics consider the

Japanese methods to be more consultant is difficult for many Chinese officials to grasp. The firm's managers point out that the word client has a negative composation in Chinese and tends sophisticated than competitive notions of the West because "they pay more attention to the human factor," but suggest that traditional Chinese ideas are

THE Peking Centre of Personnel to mean a patient. Conscious of Evaluation — Chima's first prite stigma, the Peking Centre of vate firm of management consultants which is run by psychologists and sociologists earning a few yuan in their spare time — agreed to work part-time for the has won two commissions during centre, which has a research and its first week. The Government administrative staff of 20 and no circle. Japan has had a competitive stage. We have to learn from tive stage. We have to learn from the West and then the Japanese

> He noted that Japanese man agement experts are fascinated by traditional Chinese works. by transitional Chinese works, particularly, a classical text ou strategy. The Art of War, a por-trait of China during the warring states period. The Romance of the Three Kingdoms and a collec-tion of Taolst texts.

Professor Xu said the most difficult problem to overcome in Chinese factories is the concept of the "big iron pot", which guar-antees all workers and managers mance. While economic reform aims to institute a new order, the

Arab tax collectors of Gaza expected to resign

BY ANDREW WHITLEY IN JERUSALEM

response from a population to be staying at home, out of the beavily dependent on Israeli way.

There was no one at the army

up for work most days, according to government spokesman; but to government spokesman; but this excludes the 11,000 teachers whose schools have been closed, Mr Shmuel Goren, the administration's head, insisted on Sunday that despite threats to his employees the organisation was still functioning. But if the 40 members of Gaza's Income and Property Tay Description of the Strip in tayes then it gives both memory lingers: "People can a decide where they can work. The situation has started to change but if you belong to a work unit for a lifetime and everything is out their threat — first reported in the in yesterday's Jerusalem Post — vices.

THE Arab tax collectors of Gaza a snowball could soon develo were due to resign en masse yesterday from the Israeli militaryrun Civil Administration for the
occupied territories, in a move
which could portend a significant
phase in the three-month uprising.

A clandestine radio station
widely listened to in the West
Bank and Gaza Strip has repeatedly urged local Arab policemen
to resign from the force, giving Calls by local Palestinian lead-them a six-mooth deadline to ers for civil disobedience have comply. Few have gone so far, until now evoked a lukewarm but a prudent number are known to be staying at home, out of the

beavily dependent on Israeli goods, services and employment.

Consumer boycotts have had patchy results, although there have been a few signs of switching to locally made prodocts where possible.

Nearly all the 18,000 Arab demployees of the Civil Administration yes whether the taxmen of Gaza had indeed downed the tools of their trade, as threatened. But the demployees of the Civil Administration yes whether the taxmen of Gaza had indeed downed the tools of their trade, as threatened. But the demployees of the Civil Administration yes whether the taxmen of Gaza had indeed downed the tools of their trade, as threatened. But the demployees of the Civil Administration yes who could confirm whether the taxmen of Gaza had indeed downed the tools of their trade, as threatened. But the many of the Civil Administration yes who could confirm whether the taxmen of Gaza had indeed downed the tools of their trade, as threatened. But the many of the Civil Administration yes whether the taxmen of Gaza had indeed downed the tools of their trade, as threatened. But the many of the Civil Administration yes whether the taxmen of Gaza had indeed downed the tools of their trade, as threatened. But the many of the Civil Administration yes whether the taxmen of Gaza had indeed downed the tools of their trade, as threatened. But the many of the Civil Administration yes whether the taxmen of Gaza had indeed downed the tools of their trade, as threatened. But the many of the Civil Administration yes whether the taxmen of Gaza had indeed downed the tools of their trade, as threatened. But the many of the civil Administration yes whether the taxmen of Gaza had indeed downed the tools of their trade, as threatened. But the many of the civil Administration yes whether the taxmen of Gaza had indeed downed the tools of their trade, as threatened. But the many of the civil Administration had the civil Administration yes whether the taxmen of Gaza had indeed downed the tools of their trade, as threatened. ors on Sunday night, to take

effect today. No precise figures are available strip in taxes than it gives back in the form of community ser-

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MARCH 1988

NEW ISSUE

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MARCH 1988

Dfl 200,000,000



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Dfl 150,000,000

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(The Hague, The Netherlands)

53/4% Notes 1988 Due 1st March, 1993

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De Nationale Investeringsbank N.V.

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Union Bank of Switzerland (Securities) Limited

US car groups in bid to boost sales in Europe

BY KEVIN DONE, MOTOR INDUSTRY CORRESPONDENT

groups, General Motors, Ford and Europe, and to \$1bn in 1989.
Chrysler, are mounting an effort Chrysler is launching its work in central Europe and Scan-

dinavia comprising 335 dealers.

Mr Mike Hammes, vice-president, international operations,
Chrysler Motors, said the group was initially aiming to sell 5,000-10,000 cars and 10,000-20,000

Jeeps annually in Europe.

General Motors, which last year sold 5,483 US vehicles in Europe, plans to double sales this year to more than 10,000 vehicles and to 20,000 in 1989.

Resumption of exports to Europe has been boosted by the dollar's decline, but Mr Hammes tal issue. "Our objective is to be the number one US exporter of

vehicles to Europe."
The push should lift Chrysler export revenues from \$500m in

THE three leading US automotive accounted for by vehicle sales Chrysler is launching its cars

operations to 1978 to Peugeot.

By the end of this year, Chrysler will have a distribution netler will have a distribution netler will have a distribution netowned French distributor, as its importer. Chrysler is already sell-ing light commercial vehicles in Scandinavia.

They were Brother's Wrezham factory, which was found to be using more than 60 per cent non-Japanese components - a higher

Japanese content would have qualifed for duties - and TEC

Tokyo in West Germany, which had stopped operations before the

EC sets dumping duties on Japanese typewriters

FOUR Japanese-owned electronic typewriter makers based in the UK and France should pay antiford, with Ecu 56.14. As indicated earlier, two other Japanese plants were found not to have circumvented anti-dumping dumping duties of between Ecu22 (£15) and Ecu56 per machine, the European Commission proposed yesterday, William Dawkins reports from Brussels.

The ruling is the first under a controversial new European Community trade law adopted last year. It extends anti-dum duties from imports of fully

The drive is being led by lands, and Austria in mid-April Chrysler, largely absent from the Ruropean car market since it sold Sales have been launched in Bel-

Scandinavia.

Chrysler's presence in Europe has been enhanced by its takeover last year of American Motors, which includes its Jeep subsidiary, from Renault. Chrysler is combining distribution of its Jeep sports utility vehicles with its car range everywhere in Europe except France and Italy. The company will have an aggressive pricing structure in the BMW competitor and 90 per cent of the Renault. It is aiming

Jeeps in 1969. Ford has just re-entered the

optical fibre venture PHILIPS, the Dutch electronics expected from the 50-50 venture

Part of the investment will be insured by the Chinese and in full operation in 1990. TechnolDutch governments although yesogy transfer will form an integral of the control of the con

Mr Howard Received no circumstance and seed the trace of the trace of the satisfaction during his well-reject was admittedly close to £4bn, ported trip last year. But in but British exports to £4bn, ported trip last year to £1.5bn. UK exports to its Tokyo Stock Exchange, including major trading partners grew fasfour UK companies. Also last ter only in Portugal and Saudi

the two surviving competitors in the race to win a \$2.1bm (£1.16bm). contract from the Swiss army for 40 interceptor fighter aircraft, the Swiss defence ministry announced yesterday, AP reports

Mr Arnold Koller, Swiss inal "evaluation" to General Dynamics' F-16c Falcon and McDonnell-Douglas' F-18c Hornet.

cauca on Printer Row-now and equipment while optical cable manufacturing will be based on technology used by NKF Kabel, a former subsidiary of Philips. The government would make its final choice before the end of the year. The European competi-This is Philips' fifth joint ven-ture in China following earlier ones in radio recorders, car radios, colour tv tubes and video Sweden's Gripen Jasse, were no longer to the running. Switzer-land had dropped them because both systems were not fully

less profitable than before for the Japanese. They are turning to imports to make themselves competitive, or to make more money in the retail sector as imported goods offer higher profit mar-

Carla Rapoport writes about the outstanding problems and unfinished business between trading partners

products which have been benefiting from this trend include Harrods jams and teas, Crabtree and Ewelyn tolletries and Laura Ashley clothing, to name a few.

On the industrial side, a host of companies has also been making inroads. Spirar Sarco, a UK valve maker, reports that sales in Japan last year were up 30 per cent in unit terms on 1988. "We are in a head-on collision with the Japanese in every area, but

the time is ripe for increasing exports to Japan. "On the one hand, the market is much more open. But, on the other, you have Japanese companies scouring the world for suitable products to use, both as components in local work for suitable products to
use, both as components in local
manufacturing and in third country markets, says Mr Melville
Guest, commercial counsellor of
the UK embassy in Tokyo.

"Japan is now genuinely accestible for both consumer and Japanese ones," says let Hideo Aoyama, sales manager of Spirax Sarcus' Japan branch. Lard Young will visit another

UK success story, a JAL flight simulator training station which is equipped with simulators built by Rediffusion Simulation, a sub-

So far, Japanese consumers have not protested about the consistently high prices for imported goods in the wake of the yen's appreciation. As a result, importers and retailers are eagerly resping the benefit of the high year in the form of higher mergins. At the same time, UK companies are enjoying increased sales. UK products which have been bens-

the Japanese in every area, but we have some advanced technol-ogy. And now, in some areas, our

Lord Young: leading campaign sidistry of BET Electronics. Rediffusion is the leading supplier of this equipment in Japan. Its agent in Tokyo, Jupiter Corp, however, says that more opportunities measurement for IW Comme. nities now exist for UK compa-nies in the defence arena, as Japan is increasing its defence

"Currently, it is mainly US companies that are supplying Japan's Defence Agency. We're interested in UK defence products," said Mr T. Tsuzuki, general manager, marketing, of Jupiter Chemical Companies. ter Corp.

The calming of trade tensions between the UK and Japan also provides a boost for UK compa-nies in Japan. The US, for exam-

'Opportunity Japan' a heady boost for UK companies the imports of rice, beef and oranges and demands for increased access to Japan's semiconductor market and public works projects. As far as many Japanese are concerned, these patties weaken the image of US companies in Japan and make them look dependent on their government for business.

Britain has chosen to adopt a lower profile on these issues, including the public works dispute, which erupted over the exclusion of foreign contractors from the first stage Kansai airport project in Osaka. "We look at this construction issue in a slightly different tray. The devel slightly different way. The development of Japanese infrastruc-ture, which will absorb trillions and trillions of yen over the next 15 years, will offer great opportu-nities for UK companies," says

Mr Guest. He says that 12 British compa-mes are currently pursuing con-tracts for the second stage of the mach prefer to pursue the matter as a business opportunity, not a political issue," says Mr Guest. This week, along with some of Britain's leading industrialists, Lord Young will press home this point to his Japanese counter-narts. After last year's firements

Philips and China in joint

part of the venture. About 30 Chi-nese engineers will study in the Netherlands and Dutch personnel

will work temporarily to Wuhan.

Optical fibre production will be based on Philips' know-how and

WHAT A DIFFERENCE a year year, it caved in on the Cable and makes. Last April, Mr Michael Wireless issue — a particularly Howard, then the UK Minister for sweet success for C&W execu-

Howard, then the UK Minister for consumer Affairs, was storming around Tokyo, threatening sanctions if Japan did not give way on a host of pressing trade issues.

On Thursday, Lord Young, the matter for months.

On Thursday, Lord Young, the matter for months.

Despite these victories, government range of a government campaign called "Opportunity Japan." The UK may still be running a large trade deficit with Japan, but this same time, the trade deficit is no longer seen as a problem in Whitehall.

This year, Japan has become a success for CEW executives and UK diplomats in Tokyo who had worked tireleasty on the matter for months.

Despite these victories, government of a government of the trade deficials in Tokyo admit that there is still much unfinished butiness between Japan's timetable on dismantling the tax laws on spirits remains woolly. At the same time, the trade deficit between the two countries is still growing.

But mainly because of Japan's

business opportunity, not a politi-cal football. large and growing direct invest-ments in Britain, the British gov-

A year ago, Mrs Margaret ernment has decided to bury the Thatcher and her cabinet were hatchet. Ministers accept that furious about a number of major Britain's relations with Japan problems concerning Japan. can no longer resemble a three included Japan's unfair taxation on Scotch whisky, its refusal to grant more seats for foreigners on the Tokyo Stock Exchange, its large trade deficit with the UK and its refusal to approve Cable and Wireless' stake to a new international telecommunications company in the trade deficit with the UK and its refusal to approve Cable and Wireless' stake to a new international telecommunications company in the trade deficit was admittedly close to £4bn;

giant, and the Chinese governing in terms of annual sales. The new ment have set up a Fl 72m joint venture is to be called (£21.8m) joint venture to manny and will be located in achief facture optical fibre and optical Company and will be located in achief the control of the

assembled products to products put together inside the EC using a high proportion of dumped components.

If the fines are accepted by member-states, they will hit Canou's plant in Brittany, France, which would pay Ecu44 per unit produced, Matsushita in Wrezham, UK, with Ecu40.94 per machine, Sharp in Wrezham with

US groups vie to win Swiss air contract

sible for both consumer and industrial products. The yea's

UK Trade with

UK Imports

Arabla, according to a press

elease from the DTL. Thanks to the yen's apprecia-

tion and the more acco

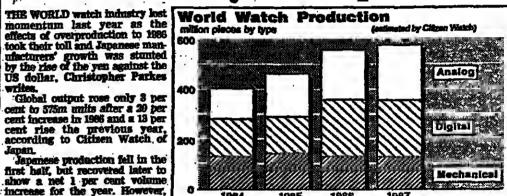
Deficit

Japan (the)

Watch industry loses spring

cent to 575m units after a 20 per cent increase in 1986 and a 18 per cent rise the previous year, according to Citizen Watch, of

Janamese production fell in the first half, but recovered later to the value of output fell 19 per 1984 1985
cent to Y245.5bn (£1.05bn) as value of sales was unchanged.
The company, which is divers tion overseas to Taiwan, Hong fying into machine tools and Kong and elsewhere in an effort office equipment to reduce its to reduce the impact of the year's dependence on watches, is also



The company, which is diversiappreciation.

exporting its manufacturing Kong companies which have contitizen, which claims to be the capacity. It aims to be making 60 tracted out assembly work shead of Seiko, increased volume by the end of this year, concenproduction 12 per cent, but the traing Japanese resources on the per cent of volume sales.

top price models and other high-tech products. Most of the market disruption has been caused by a flood of cheap digital watches from Hong

FOR FAIRS AND EXPORTS

24th ALGIERS INTERNATIONAL

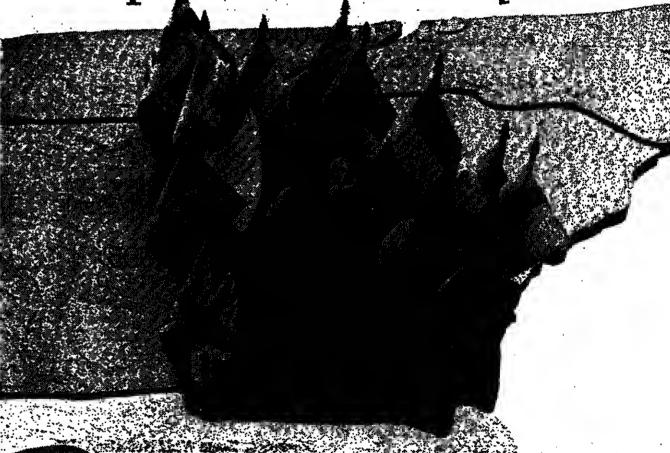
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of European businesses, contact Bill Hulbert, Managing
Director, European Office, Georgia Department of
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parts. After last year's fireworks, his reception in Japan is guaran-teed to be a warm one.

May March Play

Thatcher favours Renault inner city role for private sector

money which Mrs Thatcher said yesterday is being devoted to a "major attack on the host of problems covered by the inner cities label."

This proposals are based on a 32-page colour booklet setting out measures for giving the inner cities "a chance to share in the nation'e prosperity" and not as bad originally been expected, in s White Paper (policy document).

Mr Bryan Gould, Labour trade and industry epokesman, denounced the programme as a tawdry exercise which offered "virtually no new money, no new proposals and no involvement of local communities."

Ministers accept that there is little new money attached to yesterday's announcement but emphasise the scale of existing in the first year.

and the Msrseyside Development in being doubled in two-year pay offer warth at least two-year pay offer two-year pay offer warth at least two-year pay offer warth at least two-year pay offer two-year pay offer on year agreement.

The Renault strike started over what the company had called its final offer, a one-year agreement.

With an increase in based of 5 per cent and a two-hour reducing the two-year pay offer to pay offer worth at least two-year pay of

trucks plant votes to end strike

THE GOVERNMENT yesterday public spending in the inner cities in public spending in the inner cities.

The action endorses the pledge given by Mrs Margaret Thatcher, at recipe for "extravagance and at the last general election that inner-city revival would be given priority in ber third term.

Strong emphasis is placed on the need for greater private-sector involvement and investment to boost the £3bm a year public money which Mrs Thatcher said yesterday is being devoted to a "major attack on the host of problems covered by the inner cities label"

Labour Correspondent

Renault's Danstable truck plant north of Loadon are expected to return to work this morning, end-the money going in this would be return to work this morning, end-the management.

Some specific proposals were includes a 38-hour working week, the lowest in the motor industry. Some specific proposals were in being established in the Lowest in the motor industry. The move came as white collar things are expected to return to work this morning, end-the management."

Some specific proposals were included restrictly a 12-day strike, after they offer, which includes a 38-hour working week, the lowest in the motor industry. The move came as white collar that the motor industry strike and the Msrseyside Development call staff had word to accept a two-year pay offer worth at least of size.

City Action Teams are being the foundation of the inner cities and the first inner the inner cities and the inner cities.

Labour Correction in the inner in cities in the inner in morth of Loadon are expected to return to work this morning, end-ing a 12-day strike, after they orded to accept a the lowest in the motor industry. The move came as white collar that the lowest in the lowest in

GOVERNMENT policy towards sterling was unchanged, the Treasury said yesterday as the

pound seared through the DM3.00 ceiling which Mr Nigel Lawson, the Chancellor of the Exchequer, pound less attractive to investors

defended for most of the past was seen as similarly dangerous year.

Apparently the Treasmy was of the present rapid growth rate not joking, but observers could of demand and credit in the econber forgiven more than a wry smile only last Friday the Treasmy.

Either course might have

Pemberton, Governor of the Bank imper limit for the pound of England, it was decided that That, however, is sophistry, intervention on that scale was The Bank has accumulated more

So policy has changed - though more as a reaction to the markets than as part of a carefully-planned strategy in Whitehall. As foreign funds continued to pour into sterling vesterday morning.

smile Only last Friday the Treasury. Since the Sury smile only last Friday the Treasury. Fitter course might have sury had told the Bank of threatened an unfavourable reception from financial markets to the sizeable cuts in the basic sterling under DMS.00.

Tronically, at a meeting on the for the budget.

The Treasury of course, could the prime Minister Me.

The treasury of course, could Thatcher, the Prime Minister, Mr Claim that it has never publicly Lawson, and Mr Rohin Leigh stated that DM3.00 was a firm

not sustainable. If substantial than \$20bn in foreign exchange upward pressure re-emerged, reserves over the past year and it then the pound would be allowed is no coincidence that most of reserves over the past year and it is no coincidence that most of that intervention took place dur-

down would undermine the credibility of the Government's antinations - was that it would promilation commitment.

vide a stable framework for inflation commitment.

A cut in interest rates - the alternative way to make the industry. Businessmen could the suthorities flexibility over alternative way to make the

investment in the knowledge that Bank has appeared increasingly sterling would be kept within a concerned with the need to relatively tight range against the tighten monetary policy. Almost all the economic indica

Philip Stephens sees the pound soar through the DM3.00 ceiling

Treasury shifts the goal posts

than as part of a carefully planned Whitehall strategy

D-mark.

Almost all the economic indicators of rom retail sales to the trade and money supply figures trade and money supply figures are supply mark rate. Businessmen from last October's stock marcould not expect the Government to "accommodate" excessive pay awards by devaluing the pound.

Mrs Thatcher would not allow the European Monetary System's possible resurgence of inflation-

the European Monetary System's possible resurgence of inflatio-exchange rate mechanism so the next best thing was to effectively chadow the EMS. However, the floor, initially around DM2.80 and authorities could not respond to later closer to DM2.90, has yet to such domestic pressures with be tested.

Since last summer, the pound ing the pound to sppreciate.

has not fallen below DM2.95 and for much of the time had been acquiesced in rather than supnudging DM3.00. Last month's rise in interest rates to 9 per cent intensified the upward pressure.

ported the policy of shadowing the EMS. Her instinct is to retain flexibility in policy towards the exchange rate. At the same time

increasingly irritated at the costs in terms of intervention.

foreign funds continued to pour into sterling yesterday morning, it was decided that the potential cost of preserving the ceiling outweighed the benefits.

With Mr Lawson'e budget just a week away, the risk was that further efforts to bold sterling down would undermine the creditions of Seven industrial the upward pressure. Investors have ignored the medium-term implications of Britain's worsening trade deficit, and focused instead on the ahort-term profits available from the large interest-rate differential in sterling's favour - between the pound and D-mark.

Bank sought to reinforce that Sterling policy has changed - though more as a reaction to the markets message with a bout of interven-tion aimed at limiting the scale of the rise above DM3.00.

For what it is worth, the Treasury's official formulation is that it will not allow the exchange rate to rise to unsustainable heights nor will it allow a depre-ciation that would accommodate excessive pay awards. In the jar-gon of the Mandarins, the tactics may have changed but the strat-

egy has not.
In simpler terms, the Government is eufficiently concerned about rapid deterioration in the trade position not to allow the pound to become totally uncom-petitive. But Mr Lawson is not going to have his tax-cutting ambitions jeopardised by specula-tion that the Government has gone soft on inflation.

The expectation io Whitehall is that Mr Lawson will still opt for a "prudent" fiscal stance in the budget - although because reveoues are even stronger than gen-erally realised sizeable tax cuts will still be possible.

That, and the tightening of monetary policy implied by ster-ling's appreciation, will provide the background for a cut in inter-est rates if the pound's rise

Having broken with the DM3.00 ceiling, however, the Treasury was anxious yesterdsy to emphsthreatens to get out of hand. The problem for the Government, however, is that by allowing DM3.00 to be breached, it may have severly dented industry's confidence in its determination to provide a stable exchange rate sise that the markets bad not been given totally free rein. The goal posts have been moved but the basic policy remains to promote exchange rate stability. The

Acute medical sector in crisis, say doctors

BY ALAN PIKE, SOCIAL AFFAIRS CORRESPONDENT-

BMA survey of consultants Service, which will add to the pre-budget. It says pressure on the Government for closed d additional spending on the health

Mr Paddy Ross, chairman of the BMA's consultants' commit-tee, said the survey came to the present financial circumstances." inescapable conclusion that there was a "nationwide crisis in the acute nospital sector.

We again ask the Government to provide adequate funding for the acute hospital sector, and in particular to fund the conse-per cent of health districts:

MORE THAN 3,000 acute bospital quences of its decisions about beds were closed last year national pay awards.

The BMA survey follows last because of financial pressure on bealth authorities; the British Medical Association said yester-day.

The figure emerged from a tonional pay awarus.

The BMA survey follows last week's call by the all-party Commons Social Services Committee for an immediate injection of up to 51.5bn in the National Health

It says up to 5,300 beds were closed during 1987 and 900 new ones opened. Some of the closures were part of rationalisation plans, but about 3,100 beds were

Based on figures for unfilled vacancies, the survey suggests a shortfall of 3,100 nurses and 370 medical secretaries. Cancellation

Board shift hits Standard Chartered share price

BY DAVID LASCELLES, BANKING EDITOR STANDARD CHARTERED'S The ma share price fell steeply on the mainly on the possibility that the London Stock Market yesterday banking group would be forced to in reaction to the announcement make a large rights issue to that Mr Rodney Galpin, a senior strengthen its finances, which official of the Bank of England, have been hit by losses and

down 40p or 8 per cent on the closing price at the end of last week. At one point the shares traded at 455p.

The Christel International trade and would cut its dividend when it announced its 1987 results on March 30. These will include an expected loss of about traded at 455p.

Observer, Page 18

The UK-hased international that Standard would cut its divi-

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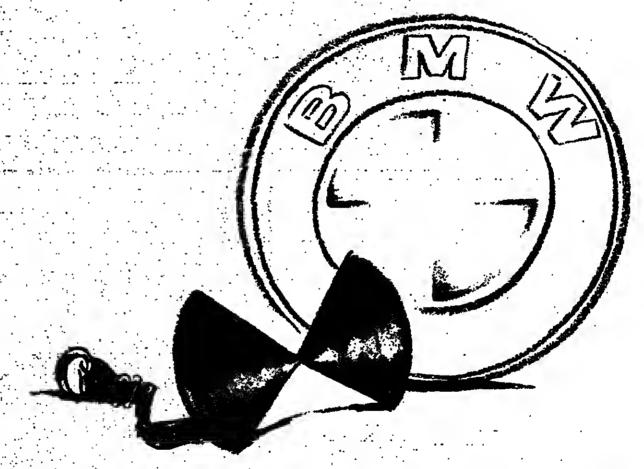
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Who'll steal the show on March 10th?

Our preliminary results for 1987 will be published on Thursday, March 10th. You may find them mildly surprising.



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estion Phancies 18-15-15-15-15-15 and estabased in Paris. France, to public action to the highest bidder:

-5- shares class A-II, and numbered A-II-6 up to und including A-II-10, with a par value of USS 500.000.— per share (totalling USS 2.500.000—), in the original authorized stock-capital of the Netherlands Antillean Corporation.

The Amar Hotel Investment Corporation N.V.

and which 5 shares, are since the amendment of the articles of incorporation. November 5, 1987, equivalent to 2,500 shares class A-IL, each of a par valus of USS 1,000-(totalling USS 2,500,000-); said sale to be conducted at the offices of the tradersigned civil-law-nots Curaeno, Netherlands Antilles, on March 23, 1988, at 10,00 a.m. Nether

(a) the "Banque Pallas France" shall establish a minimum or initial bid and shall have the right, if it so elects, to bid at the sale: (b) bids may be made in increments of only USS 5.000,00 or move; (c) the twoessful bidder shall within 7 days of the date of the public sale pay to the undersigned the amount of the successful bid and the cost related to the sale being an amount equivalent to twelve percent of the successful bid, (d) each bidder shall submit to the undersigned a bank-guarantee in favour of the undersigned covering the amount of his highest intended bid and the cost referred to above, said guarantee to be issued by a well known international operating bank of good standard:
(e) the successful bidder will be - in virtue of the articles of association of "The Amer Hotel Investment Corporation N.V." - under an obligation to offer all of the shares acquired for sale to the said corporation and its shareholders.

Further information can be obtained at the offices of the undersigned.

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ONLY 12 OF BRITAIN'S TOP EXECUTIVES COMMAND 'GLOBAL PAY RATES,' ACCORDING TO SURVEY

Salary of £2.5m leads boardroom pay league

BRITAIN HAS 12 executives earning more than £500,000 a year, according to a report pub-lished yesterday by Charter-house the merchant banking and financial services group.

Mr Christopher Heath, the

managing director of Baring Securities, who was named as Britain's highest-paid executive in Charterhouse's remuneration report last October, retains his position at the top of the list with total earnings of £2.512,565. The Charterhouse survey,

The Charterhouse survey, which is published twice a year, is based on the latest annual accounts available, with the result that its league table is a mixture of 1967 and 1966 executive earnings. Mr Heath's earnings were for the year to December 1968.

Sin Palab Halman



Christopher Heath, left, Britain's highest-paid executive with earnings of £2,512,585; Ralph Halpern, in second place £1,359,000; Lord Hanson, in third place with £1,263,000; and Richard Giordano, one of the top 12 with £782,300

ber 1988.

Sir Ralph Halpern, chairman of the Burton Group, is back in second director of merchant bank Robert August 1987 of 21,355,000. His 1986 pay of 21,004,000 had left him in fourth place in the October survey.

Stormonth Darling, chairman of of Bankers Trust International The median base for senior management (\$633,855); a director of the WCRS (\$1,051,000); and an unnamed Group (\$622,000); and Mr Maurice global pay rates, the rise in executive earnings over the last seven per cent. The least utive earnings over the last seven per cent surveye saucht (\$500,000).

The Charterhouse survey notes director's name. Others on the list are Mr Rich-

Lord Hanson, chairman of Han-son, is in third place with total son, is in third place with total pay of £1,263,000. He is followed BOC Group (£782,300); Mr Stanley pay of £1,263,000. He is followed Ralms, chairman of the Dixons by Mr Michael Slade, managing director of the property company Helical Bar (£1,106,000); Mr Peter (£856,251); an unnamed director

The Charterhouse survey notes that Lord Hanson, in his chair-man's report, said that senior Hanson executives in the UK should be paid according to "global pay rates."

"Should other major companies with extensive international busi-



reveals that annual base salaries for board members are increasing

The median base pay increa per cent surveyed received increases of 7 per cent, with the highest quarter receiving increases of 12 per cent.

Charterhouse Top Management Remuneration, available from at a median rate of 10.9 per cent.

Increases ranged from 7.3 per Green, Saffron Walden, Essex cent for the lowest quarter of CB11 3LX. March edition £55. hourd members surveyed, to 16.7 per cent for the highest quarter.

Sharp studies feasibility plan for compact disc player plant

SHARP, the Japanese electronics There is very little UK-based company, is studying plans for a production of compact disc player compact disc player plant in ers and many of the imports are

Europe.

The company's existing facility

At Wrexham, Wales would be a mission is in the middle of an strong candidate for the plant, if anti-dumping investigation of Sharp decides to go ahead with imported Japanese and South compact disc player production.

Sales of compact disc players speed up plans by Japanese common the UK are booming, according panies to shift manufacturing of to provisional figures from the product to Europe.

British Radio and Electronic Aiwa is the only Japanese common Manufacturing of the product to Europe. Equipment Manufacturers Asso-pany at present making the play-clation. The association said that era in the UK, at its plant in

Tourism 'in

Tunnel aid'

BRITAIN'S tourist industries must receive help from the Gov-eroment if they are to cope with

eriment it they are to cope with it the influx of tourists after the Channel tunnel project is completed in 1993, the British Tourist Authority and yesterday.

The BTA said in a report that the tunnel "will have far-reaching consequences on travel and communication."

The Government is urged by the BTA to consider funding a new high-speed rail link from the tunnel to London and beyond as

well as investing in new motor-

It also wants all Customs and immigration controls to be conducted on trains, in line with

frontier crossing procedures else-where in Europe.

The report highlights the need

for investment in hotel accommo

"Decades of planning have not fully prepared us to meet the challenges and opportunities which the tunnel will bring," it added.

need of

about \$50,000 players were sold in Newport, South Wales. JVC is Britisin last year, compared with planning to make them at its new plant in East Kilbride, Scotland.

BRITISH COAL would close

agniticant inaustrial dispute, air Robert Halsam, the corporation's chairman, said yesterday. This would represent a marked slowdown in British Coal's, clo-sure programme: it has closed 78 pits in the past three years, leav-

unless there were major indus-trial relations problems the industry would meet the Govern-ment's target of invaking even in

He said industrial action by the NUM and the overtime ban imposed by Nacods, the union for

Sharp confirmed that it was in the middle of a feasibility study of whether to start making play-ers in Europe, but no final deci-sions had been taken.

The company has edded range since it began making video recorders there in 1985.

wave ovens, photocopiers and electronic typewriters in Wrax-ham where it employs about 850

Sharp's only other European factory is in Spain where it makes colour televisions.

tricity supply industry.

As a result of the NUM bellot, miners will be paid their 1987 wage rise of 4.28 per cent. The increase will, however, be payable from the date the union officially and the state of the st

cially ends the action, rather than backdated to November 1,

the settlement date. Miners will lose about 2200 as e result. Mr John Northard, the corpora-

tion's director of operations, said negotiations with the Notting-hamshire-based Union of Demo-cratic Kineworkers over the

introduction of six-day produc-tion at the planned Asfordby mine were well advanced. Sir Robert cautioned the elec-

British Coal says pit

closures could slow

BY CHARLES LEADBEATER, LABOUR CORRESPONDENT

fewer than five pits in the com-ing financial year as long as the falling world coal prices, reduc-industry was not affected by a significant industrial dispute, Sir fuels or privatisation of the elec-

Consumer debt rises in line with retail sales volume growth

standing debt grew strongly in before.

January, reflecting the continu- The DTI said January's

ing societies and bank credit - about the same as in the previcards. They exclude personal ous three months. New credit
bank home and home by insurance companies.

In separate figures, the DTI has with £3.1bm in December.

BRITISH CONSUMERS' out- than in the same period a year

Dennii

ing spending spree in shops.

Official figures published yesterday by the Department of the amount of the arrows are credit was in line with the arrows are monthly increases last the amount outstanding on bank the arrows with an experit cards and a smaller than the arrows are significant.

223.3bn. This compares with an credit cards and a smaller-than-increase of £200m in December. usual increase in the amount The figures cover agreements extended by retailers with finance houses, other specialist advancers of credit, build- ary, outstanding debt rose 2900m

revised upwards provisional esti-mates of the index of retail sales consumer credit and retail sales volume in January. Previously will add to fears among some the index had shown a 0.75 per independent economists that cent increase in the month, but is "overheating" in the economy now I per cent higher than in will increase inflationary pres-

December.

In the three months to Jameary, the seasonally adjusted level of sales was about 1 per cent consumer spending may diseased higher than in the previous three the monetary authorities from months, and 6½ per cent higher cutting interest rates.

Left wing tightens hold in largest trade union

solidated their newly-gained con-trol of the leadership of Britain's trol of the leadership of Britain's largest union, the Transport and General Workers'.

Control of the coverning cap.

Control of the coverning cap.

eral executive council of the union, the Labour Party's largest, was recently secured by the left from right-wingers in the union, in a move which has been seen as potentially difficult for Mr Neil Kinnock, Labour's leader.

At the first meeting yesterday of the newly-elected executive, left-winger, Mr Eddie Gillard, from the south-west, into the vice-chairmanship.

in the mines, had lost the corporation 3.5m townes in output in the South of Scotland Electricity 1987-88, worth £100m in potential Board's hid to import cheap coal.

LEFT-WINGERS yesterday con- utive Mr Dan Duffy, from Glas-

General Workers', abstained, saw the defeat of a Control of the governing general executive council of the Ferguson, from the TGWU's

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THE BUSHNESS CHTY

opened last October.

London City's general manager

Blimingham City Council, Economic Development Unit, Development Department, Room 101, Baskerville House, Broad Street, Birmingham B12NA

THE BUSHNESS CHTY

opened last October.

London City's general manager

Mr Wilson also said that the each way daily to seven, and Boein

state Stolport, Mr Jonathan Wil
parent group, Airlines of Britain would also offer an express 7878.

operating profit. Sir Robert said it was a myth Sir Robert told the Coal Industry Society in London that the erating Board could save 2750m industry's troubled industrial were it free to import coal. Stolport to start Amsterdam flights

PASSENGERS USING the London City Stoiport in Docklands will be able to fly to Amsterdam serve Rotterdam, it believed a license to the Brussels, Faris, Jersey and Charman Park 18, in addition to Brussels, Faris, Jersey and Charman Park 18, in addi

The new service will be flown by Eurocity Airways (being renamed London City Airways). The airline is part of Mr Michael Bishop's Airlines of Britain Group, which includes British Midland Airways, and is one of the two operators from the Stolport. The other is Brymon Airways, which serves Paris.

Eurocity is changing its name to reflect better its association with the £32m Stolport, which opened last October.

next stage of its expansion.

Amsterdam flights will operate three times daily in each direc-tion, with a once-daily flight each way on Saturdays and Sundays, Business-class fares will be £180

Flights from the Stolport to Rotterdam, Düsseldorf and Manchester are expected to be launched later this year, as more de Havilland Canada Dash 7 turbo-propeller aircraft join the

London City favours the Brit-ish Aerospace Type 146 four-en-gined regional jet airliner to sup-plement the Dash 7s, which de Havilland Canada is soon to stop producing.

Increase of £500m over the previ-icus year.

Figures produced by the Soci-ety of British Aerospace Compa-mies, the industry's trade associa-tion, based on Customs' returns,

Havilland Canada is soon to stop producing.

Mr Wilson stressed that confidence was being restored after the four-week suspension of flights to Paris from the Stolport earlier this year as a result of air traffic control problems.

Brymon Airways said yesterday that from March 28 it would increase its Paris flights from six each way daily to seven, and each way daily to seven.

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ARRIVALS

JAPAN AIR LINES NEW NON-STOP SERVICE FROM FRANKFURT TO TOKYO. EVERY SATURDAY AT 1710.

From April we have an even wider choice of non-stop Sights to Tokyo. And with 8 non-stop flights leaving from Paris and London, our convenient evening departures offer even better connections from Europe. We widen your options, as you broaden your horizons,



A PREVAILING concern of engineering businesses, whether they are bridge builders or ski makers, is finding ways to produce increasingly thin and light sec-tions of material, which are also

March & Sign

This set of demands has helped to increase world sales of carbon fibre to about £100m a year. The material is strong exceptionally light and is used to reinforce goods in a variety of industries. But it is only cost-effective to make the fibre in thick plies, each containing as many as 12,000 individual threads. Users (and potential users) tend to pre-fer much slimmer bundles of

In a thinner form, the fibre could be woven into intricate pat-terns of fabric, which could then be impregnated with a plastic resin to form a strong compo-nent. This sort of ultra-thin, very light composite material could be d in products as diverse as an aircraft wing or an industrial

machine.

Courtaulds, the UK textiles group, believes it has hit on an novel and efficient way to reduce the thickness of the fibre plies, ising technology developed by Heltra, a tiny and obscure US company which it bought last year. Some of Helira's machinery is now being transferred to Cour-taulds' Coventry headquarters.

The UK group is trying to reduce its dependence on traditional textiles and to establish businesses based on new composite materials. It also has an 80 per cent stake in Hysol Grafil, the world's fourth biggest maker of carbon fibre, which is 20 per cent owned by Dexter of the US.

The other big producers of the material, world demand for which adds up to about 4,500 tonnes a year, are Toho and Toray of Japan and Hercules of

the US. Chris Fenton, a Courtaulds manager who has taken charge of

NEW light-weight inter-city

trains are being introduced by

the Danish state railway, DSB

be hauled by locomotives but driven by ordinary Deutz eight-

The three-coach trains are

made of aluminium and will have a maximum speed of 200kph.

They are being built by Ascan-Scandia, of Randers, Jutland.

Each three-coach set can be cou-

built into the coaches.

The trains, called IC3s, will not

diesel truck engines

this autumn.

CARBON FIBRE Europe 1990 Projected growth in world demand by geographic area 1905 Far East 1990 US 1990 Total

Courtaulds tugs at the tiny strands of diversification

Peter Marsh examines the textile group's development of a thinner and more versatile form of carbon fibre

thinning down fibres, he says. For competitive reasons, the UK concern is anxious not toget outsiders gain a glimpee of Hel-tra's equipment, which it is talling behind closed doors at

Coventry. Heltra's technology is based on system of rollers and other machinery, which separates indi-vidual threads in the 12,000-fibre standard ply through a process of cotton or polyester into thin

oled to others to increase carry-

One of the main aims of Niels

Tougaard, the DSB engineer responsible for the project, was to make the train as light as postible. The first weight saving was the elimination of a locamotive,

which normally weighs around 70 tonnes while the three-coach IC3 weighs a total of 90 tonnes, Other

reductions have come from the

Courtaulds several years to relatively short strands, into a develop its own techniques for yarn comprising as few as 200

fibres.
The thickness of the yarn can be measured in a few millimetres, compared with the centi-metre-wide tapes based on the 12,000-strand threads which are standard for carbon fibre.
The textile industry is familiar

By Hilary Barnes in Copenhagen

tional train to about 620kg.

just four bolts.

with equipment similar to Hel-tra's, which it uses to transform thick strands of materials like

use of aluminium and having of inter-city trains to operate for fewer wheels. Weight per passen- 2m kilometres without having to ger seat has been reduced from be taken out of service because of more than 1,000kg on a tradi- hreakdowns. To try to achieve

To minimise vibration and four motors; if one breaks down noise, tha train consists of an the train can still operate. A

outer and inner tube and all con-defective motor can be lifted out tacts between the tubes are rub- and replaced by a spare one in a ber. Each motor is suspended by matter of minutes, as can the

the US company, which is based stretching and breaking. The yarns. But the same process is in Jim Thorpe, Pennsylvania, is equipment then twists the separation much more difficult for carbon quite a coup. It would have taken—rated threads, now in the form of fibre, because of its relative brit-

Boyd Friel, marketing services manager at Hercules, the higgest US maker of carbon fibre, confirms that reducing the thickness of the threads will extend the material's range of uses. Although most customers are sat-Although most customers are sat-isfied at the moment with the the Courtaukls offer. "It was the relatively thick thread, many are only serious bidder which would investigating future applications which would require thinner secfor Jim Ratcliffe, managing

this, each three-coach set has

ust four bolts. gearbones, The electrical systems IC3 is considerably less
DSB wants the new generation (from West Germany's AEGof a conventional train,

director of the composite materials division at Courtanids, Heltra's technology is not only important because it enables thinner and lighter composites to be produced. It also makes yarns that can be interwoven with other fibres made from materials such as nickel-coated carbon or Kevlar (a strong plastic made by Du Pont) to produce mixtures with characteristics, such as toughness and heat resistance, specific to individual applications. The yarns can be used to stitch together fabric based on carbon fibre or other substances.

Courtaulds has found that these yarns can be 80 per cent as strong as the much thicker threads which are the norm in which are the norm in the carbon-fibre industry. The company believes this capability will propel it into new applica-tion areas for carbon fibres, most uses of which are in acrospace

and military equipment.

The fibres are also being increasingly used in general machinery, for instance, in measuring equipment and in vehicle components such as drive shafts. Other applications are in sports goods, such as tennis rackets, and in industrial textiles.

Helita was started 22 years are

Heltra was started 22 years ago by George Tradewell, a textiles expert. It has only six employees, though Courtaulds intends to double this number over the next few months.

Kirk Tradewell, son of the Kirk Tradewell, son of the founder, is Heltra's operations: manager. Ha says he and his father "emertained the idea" of seeking a commercial involvement with either Hercules or Great Lakes Carbon, another US maker of carbon fibre.

But the still works for Heltra as a

father still works for Heltra as a give us the opportunity to stay with the company and take our concepts further," says Kirk Tra-

looked closely at the project say

the computer systems include a lot of untried software and may

Denmark takes a weight off its inter-city railway system EMG) and computer control systems are also doubled up.

Danish analysts who have

Approved for use in the UK

lot of unitied software and may be a weak point. They add that doubling up on motors and other systems will be the key to achieving the ambitious target for length of service. It sounds an expensive way to do it, but the purchase price of the IC3 is considerably less than that

now materialising "almost as fast thickness of the printed line.

as the technologies for satisfying

A smaller version, the 8

He predicts that by about 1995,

WORTH WATCHING Edited by Geoffrey Charlish

exceed voice traffic, pointing out

that information systems already have immense strategic signifi-

Cutting the cost

VERSATEC, the California-ba

ple, can print an A0 (34-inch wide) drawing in under a minute,

surface to give a high quality, black on white drawing.

A control panel display of four

The plotter can be program

of plotting

A break with

INA Bearings of the UK has departed from the normal design for roller bearings by removing the cage, which holds the rollers in place. The aim is to reduce friction, increase operating speeds and allow higher loads. The rollers operate in the space between the shaft and the outer ring, usually with the cage keep-ing them a fixed distance apart. Instead, the INA design injects instead, the INA design injects oil at pressure, through equally spaced holes around the outer ring, to keep the rollers separate. More rollers can be used in the space previously taken up by the cage, increasing the load performance compared with a caged beginning of the server with a caged

bearing of the same size. Alterna-tively, the bearing can be made smaller for the same load. Since the rollers do not run in a cage, friction is reduced, says

made to flow steadily through the bearing, frictional heat is removed, which in turn allows higher speeds and greater loads. The bearing is aimed at high power transmission shafts (tests were conducted at 400mm diame ter) where energy saved can be valuable. The bearing costs 15-20 per cent more than the conven-tional equivalent.

Phone calls for the record

RETELL, a small UK company, is offering a convenient unit that allows any telephone call to be recorded automatically.

It consists of a small cassette

recorder and a sensitive micro phone that fits to the telephone's earniece. As soon as the handsel is raised to the ear, a tiny men cury switch starts the recorder stopping it when the phone is put

When data speaks louder than words

IAN ROSS, president of AT& Bell Laboratories in the US, believes that business demands for new telecoms services are

prints on 24-inch paper and costs less than £16,000.

data transmission traffic will A guide to telecoms costs

cance, with the power to trans-OCTAGON Telecommunications form manufacturing and supplier distributor relationships.

The technology itself will change radically in the next table on an annual subscription of decade, says Ross. The change and issued three times a

decade, says Ross. The change 2300 and issued three times a from analogue to digital working will be completed, cables will be made largely from glass instead, of copper, and hardware-driven networks will become software-driven. But, in particular, closed telecom networks controlled by that telephone companies will become open networks "that customers can control and manage the guide, says the cost of tele-

the guide, says the cost of tele-come in a large business can be cut by as much as 25 per cent. "Choosing the most effective service in terms of cost, reliability, quality of service and ease of implementation is now both more important and more complicated than it ever has been."

The guide provides a clear explanation of tariff structures and the steps required to carry Xerox subsidiary, has introduced large alectrostatic plotting machines at roughly half the price of current machines of the out a sound comparison between services. The first issue covers telephone call charges and com-pares BT and Mercury in terms same size.

The product is aimed mainly at companies which use groups of access charges, savings per call and companies which use groups of access charges, Other sections stand-alone workstations and personal computers (PCs) for communication design. computer sided design.
With a basic price of less than \$20,000, the model \$536, for exam-There is also a summary of the

most frequently used tariffs.

The second issue will deal with private circuit charges and the third will cover packet data switching and managed network charges.

Shaping up with sheet metal

wide) drawing in under a minute, whereas a conventional pen plotter might take up to 20 minutes. At such speeds, many engineers can use the new plotter without any serious delay building up. It uses a paper-wide head of tiny nibs, which produce 200 charged spots per inch on special paper fed from a roll. Black toner powder clings to the charged areas and is fused to the paper surface to give a high quality. FULLY automatic production of sheet metal blanks is provided by a unit made by Wevelgem-Gulle-gem in Belgium and available in the UK from Shape Machines of

to take data from a variety of workstations or PCs by inserting Marlow, Buckinghamshire.
Controlled by microprocessors,
the machine takes sheets from an a small magnetic disc. It memorises the drawing data which is fed into it, allowing repeat printing. It can be left to run off copies overnight without attengram composed by the operator on screen and keyboard. The machine stacks finished blanks behind it via conveyors. 20-character lines provides various options for the user, which include scaling the drawing up or down, rotating it, printing its

mirror image or altering the thickness of the printed line.

A smaller version, the 8524, prints on 24-inch paper and costs less than £16,000.





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PC-based, it enables them to feed in volumes and get a print-out with key statistics - so they can identify their own strengths and weaknesses in terms of costs and revenues, oumhers employed, cash flow, return on capital and so oo.

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things.

And, we'll admit, the cootinuing growth of Racal's new market.

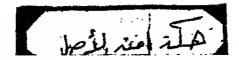
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AUSTRALIAN BUSINESS

Chris Sherwell reports from Melbourne on an extraordinary story of corporate and managerial ingenuity

Elders IXL catapulted to international prominence

infamous corporate predators ly-merged resources group, North intt quickly put together borrowings of close to Akibn to take of them - Elders IXI., led by the in terms of corporate and manesiallient Mr John Elliott is agarial ingenuity, therefore, the still on the move, and in a big story of Elders IXI. is even by assets helped repay some of the

In each of its main activities brewing sigtifications, resources, financial services and investment

he desh of its main activities — herewing, agribusiness, resources, financials services and investment — the Melikoum-based group het bright a corpolations, and is while a considering against the season for considering against the season for considering against the form of the Melikoum based group in the first of the Melikoum based for this washibuckling in age for formiddfulle freedy and as frong finances, conjustitions ignore it at these parts. The most part is a though a first property against the season for the swanbibuckling in age for the swanbibuckling in age of the group sit this freeds place of the swanbibuckling in age of the group sit this freeds place of the group sit the group sit

last October's share market col- of the country's top 15 companies GUB had built up a 49 per cent layer findily thwarted the inter- in its own right — and it is well interest in Elders, so the Brierley radional ambitions of Australia's pectioned to stalk another new move was a real threat. Mr Ell-

Australian standards, extraordinary. But it is also notable for having been crafted by a team of men who have remained friends

By 1986, Elders IXL was an Australian phenomenon, as the

arranged the financing within three weeks through the issue of Courage pubs venture, Elders convertible notes in multiple currencies. Three months later, it holders funds above A\$5bn. No raised A\$500m from shareholders one doubts that it will now geer through Anstralia's largest ever itself up for another ambitious rights issue, and launched a successful A\$450m bid for Carling O'Kesfe, Canada's third largest brewer. Then it announced a radius plan to float off the 5,000 men he has hired. Three – Richard whole the price men he has hired. Three – Richard whole the price men he has hired. Three – Richard whole the price men he has hired. Three – Richard whole the price men he has hired. Three – Richard whole the price men he has hired.

Courage pubs to raise more cash. ard Wiesener, Bob Cowper and it is these deals, more than any others, which have catapulted Elders to international promi-nence. But other transactions are Ken Jarrett, Michael Nugent and doing the same: last year's acqui-divisions of important grain silo divisions. Each knows the other interests in the US, for example, well. All function as a team. Disinterests in the US, for example, well. All function as a team. Disand latterly the ambitious NZ ruptive internal clashes are minimal.

Critics point out that the floating of Elders Investments in It was, therefore, scarcely sur-

was referred to the Monopolies joint venture with a property and an election due by early 1988, and Margers Commission. By the company. But the performance of the considered running for the time it emerged, the offer had been overtaken by the bull mar-astonish.

Last month, Elders published

was its treasurer), and it promised to take advantage of the Labor Government's obvious dif-But the fact that it was cleared its interim profits for the six greatly enhanced the group's stature — as was proven when Elders instead bought Courage, the UK brewery group, in September 1986 for £1.2km.

I last month, Elders published its interim profits for the six months to December — a period which included the effects of the crash. Equity accounted profits the UK brewery group, in September 1986 for £1.2km.

On that occasion, Elders A£243m above book value. ficulties in running the economy. Bnt the Liberals' long-lived coalition with the Nationals foundered, and Labor went to the country earlier than expected. At Elders, moreover, Mr Elliott's

possible departure prompted determined moves to keep him. In a neat dovetailing of object tives, a scheme was devised to restructure the company in a way beneficial both to shareholders and to directors - and specifically to Mr Elliott, who, while rich, is not fabulously wealthy.

Recognising that wealth meant independence, Mr Elliott saw that the scheme could furnish the vital prerequisite for any poli-tician interested in leading the country in fresh directions.

Mr Elliott duly postponed his electoral ambitions, but conveniently became chairman of the Liberal party – a shift giving him a still higher political profile. The Elders restructuring, how-ever, had to be shelved because

The plan, crafted chiefly by Mr Scanlon, would have created separate quoted entitles out of the group's main business divisions, all controlled by an Elders IXI holding company. This in turn promised to end up in hands friendly to Mr Elliott and his

The BHP settlement does this even more clearly, because BHP's 18 per cent stake in Elders is passing to a company called Harlin, in which Mr Elliott and his fellow-executives have a direct

The overall effect is not only to secure the defences of Elders against takeover for the next few years, but also to give Mr Elliott and his executives a chance of controlling the whole group provided they perform well.

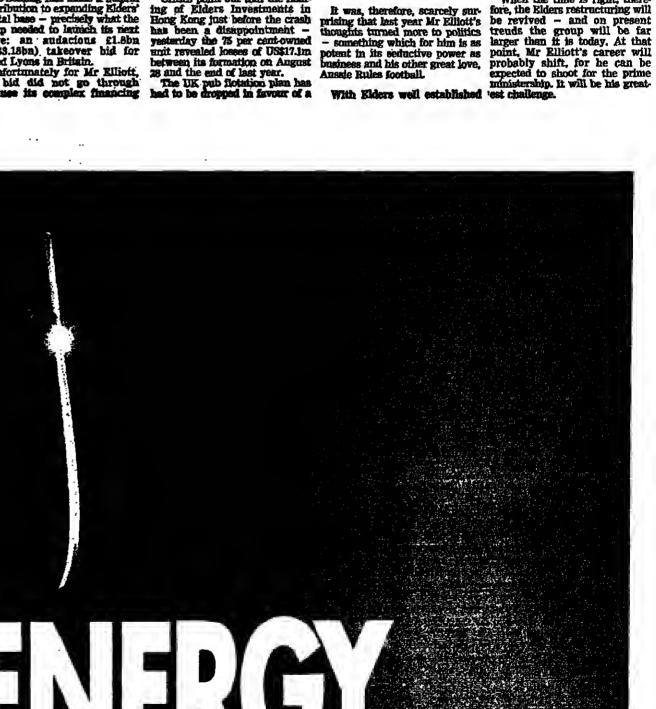
When the time is right, therefore, the Elders restructuring will be revived — and on present trends the group will be far larger than it is today. At that



John Elliott (left), chairman of Elders IXL, and Peter Bartels, adder executive of Elders Brewing Group.

With the BHP deal and the

Peter Scanlon - remain close to him despite having gone their





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This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares. The Offer is made solely by the Offer to Purchase dated March 3, 1988, and the related Letter of Transmittal; and is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares residing in any jurisdiction where the making of the Offer or the ecceptance thereof would not be in compliance with the laws of such jurisdiction. In any jurisdiction the securities or blue sky laws of which require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Purchaser by Shearson Lehman Hutton Inc. or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Notice of Offer to Purchase for Cash All Outstanding Shares of Common Stock

Farmers Group, Inc.

BATUS Financial Services Inc. A Wholly Owned Subsidiary of

BATUS Inc.

\$63 Net Per Share

BATUS Financial Services Inc., a Delaware corporation (the "Purchaser") and a wholly owned subsidiary of BATUS Inc. a Delaware corporation ("Parent"), is offering to purchase all outstanding shares of Common Stock, par value \$1.00 per share (the "Shares"), of Farmers Group, Inc., a Nevada corporation (the "Company" I. at \$63 per Share. net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase dated March 3, 1988 (the "Offer to Purchase"), and in the related Letter of Transmittal (which together constitute the "Offer").

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, MARCH 30, 1988, UNLESS EXTENDED.

The Offer is conditioned upon, among other things, the receipt of all state insurance regulatory approvals, on terms and conditions satisfactory to the Purchaser in its sole discretion, necessary for the Purchaser to consummate the Offer (the "Regulatory Approval Condition"). It is not expected that the Regulatory Approval Condition will be satisfied before a substantial period of time has elapsed. The Offer is also conditioned upon, among other things, there being validly tendered and not withdrawn prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase) of the Offer that number of Shares which, when added to the Shares owned by Parent on March 3, 1988, would represent at least 51% of the voting power of all securities outstanding on a fully diluted basis as of the Expiration Date of the Offer entitled generally to vote in the election of directors of the Company.

For purposes of the Offer, the Purchaser will be deemed to have accepted for payment, and thereby purchased, tendered Shares as, if and when the Purchaser gives oral or written notice to the Depositary of the Purchaser's acceptance for payment of such Shares. Payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payment from the Purchaser and transmitting payment to tendering stockholders. Under no circumstances will interest be paid on the purchase price of the Shares to be paid by the Purchaser, regardless of any delay in making such payment. In all cases, payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of certificates for such Shares (or a timely Book-Entry Confirmation as described In Section 2 of the Offer to Purchase, a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by the Letter of Transmittal.

Except as otherwise provided below, tenders of Shares are irrevocable. Shares tendered pursuant to the Offer may be withdrawn at any time prior to 12:00 Midnight, New York City time, on Wednesday, March 30, 1988 tor, if the Purchaser shall have extended the period of time for which the Offer is open, the latest time and date at which the Offer as so extended by the Purchaser, shall expire, and may also be withdrawn at any time after Sunday, May 1. 1988, unless theretofore accepted for payment as provided

in the Offer to Purchase. For a withdrawal to be effective, a written, telegraphic, telex or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of the Offer to Purchase and must specify the name of the person having tendered the Shares to be withdrawn. the number of Shares to be withdrawn and the name of the registered holder of the Shares to be withdrawn tif different from the name of the person who tendered such Shares). If certificates for Shares have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such certificates, the serial numbers shown on such certificates must be submitted to the Depositary and, unless such Shares have been tendered by an Eligible Institution (as defined in Section 2 of the Offer to Purchase), the signatures on the notice of withdrawal must be guaranteed by an Eligible Institution. If Shares have been delivered pursuant to the procedures for book-entry transfer as set forth in Section 2 of the Offer to Purchase, any notice of withdrawal must also specify the name and number of the account at the appropriate Book-Entry Transfer Facility (as defined in Section 2 of the Offer to Purchase) to be credited with the withdrawn Shares. Withdrawals of tendera of Shares may not be rescinded, and any Shares properly withdrawn will thereafter be deemed not validly tendered for purposes of the Offer to Purchase. However, withdrawn Shares may be retendered by again following one of the procedures described in Section 2 of the Offer to Purchase at any time prior to the Expiration Date.

The Purchaser reserves the right, at any time or from time to time in its sole discretion, to extend the period during which the Offer is open by giving oral or written notice of such extension to the Depositary and by making a public announcement of such extension. There can be no assurance that the Purchaser will exercise its right to extend the Offer. Subject to the foregoing, the Purchaser currently expects to extend the Offer from time to time in order to allow sufficient time for satisfaction of the Regulatory Approval Condition.

The information required to be disclosed by paragraph (e)(l)(vii) of Rule 14d-6 under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

A request is being made to the Company for use of the Company's stockholder lists and security position listings for the purpose of disseminating the Offer to holders of Shares. The Offer to Purchase, the related Letter of Transmittal and other relevant materials will be mailed to record holders of Shares and will be furnished to brokers, dealers, banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder lists or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares, by the

Purchaser when such lists or listings are received, or by the Company if it so elects.

The Offer to Purchase and the Letter of Transmittal contain important information which should be read before

any decision is made with respect to the Offer. Questions and requests for copies of the Offer to Purchase, the Letter of Transmittal and other tender offer documents may be directed to the Information Agent or the Dealer Manager as set forth below, and copies will be furnished promptly at the Purchaser's expense. No fees or commissions will be payable to brokers, dealers or other persons other than the Dealer Manager and the Information Agent for soliciting tenders of Shares pursuant to the Offer.

The Information Agent for the Offer is:

United States: 237 Park Avenue New York. New York 10017 (800) 365-5500/(800) 221-3343 In New York: (212t 619-1100 Banks and Brokers call: 12121883-8900



Europe: The Carter Organization, Inc. a member of The VPI Group PLC 46 Grosvenor Gardens London SW1W ODH 01-730-3456

The Dealer Manager for the Offer is:

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American Express Tower World Financisl Center New York, New York 10285 (212) 298-2083 (Call Collect)

March 3, 1988

• FT LAW REPORTS

Divided liability for bank's loss

V RABOBANK NEDERLAND Court of Appeal (Lord Justice O'Connor, Lord Justice Lloyd and Lord Justice Nicholls): March 2 1988

AN IRREVOCABLE letter of credit may be extended by con-duct after expiry if the issuing bank accepts a tender of fresh documents in place of non-con-forming documents rejected. hefore expiry. And where the credit is so extended, the sellers' assurance to the confirming bank that they accept full responsibility for discrepancies renders them liable for the bank's interest losses arising out of the non-conforming tender, but not for any subsequent loss caused by the issuing bank's delay in accepting the re-ten-

dered documents.

The Court of Appeal so held when dismissing the major part of an appeal by Sumitomo Bank. Ltd from Mr Justice Leggatt's to interest as against Co-opera-tive Centrale Raiffeisen-Boerenleenbank BA ("Rabobank Neder-leenbank BA ("Rabobank Neder-land") in respect of transactions arising out of an irrevocable let-ter of credit confirmed by Sumi-tomo. The appeal was allowed in respect of interest covered by an assurance of responsibility for

that an irrevocable letter of credit was opened by an Egyptian Bank, Banque Misr, in favour of Dutch sellers of butter oil c & f

The letter of credit called for shipping documents to be pres-ented, including sanitary certifi-by forwarding the fresh certificates issued by the Dutch Gov-

Sumitomo Bank in London confirmed the letter of credit, and it was transmitted to the sellers

Sumitomo drew Rabobank's not date back to the date of the attention to the fact that the san original tender.

So far as the first shipment was concerned, the delay in accepting the documents between

responsibility for discrepan-cies...so please effect payment." Sumitomo therenpon paid 90

those periods under Rabotienk's

"guarantee."

Mr Justice Leggait dismissed
the ciain. He held inter alia that
since the documents were ultimately accepted by Banque Misr,
it must be treated as having
accepted them when they were
originally tendered, and that
Sumitomo's claim, if any, lay not
against Rabobank but against
Banque Misr.

The buyers did so, by conduct. It frequently happened that the

was concerned, the delay in accepting the documents between October 22 and November 30 was due solely to the sellers' failure

rejection of those documents:
before the credit expired. It
expired on November 22 Rabobank for
On November 23 Rabobank for
it is the period between the original property of the fresh smilary certificates in respect of all four ship-ments to Sumitomo, with copies
of direct for Henque Misr. It invited
them to lift their reserves.
On November 30 Ranque Misr
il lifted the reserve in respect of the
first shipment and authorised payment in respect of the first shipments acceptance of the fresh tender on
Sumitomo to pay 90 per cent. On
November 30 Ranque Misr
il lifted the reserve in respect of the
first shipment and authorised payment in respect of the third shipments.
The effect of those transactions
was flat Sumitomo was out of its
noney our the first shipment from
October 22 to November 30, on
the second and fourth shipments. That was what in fact
the second shipment, from November 30, the documents relating to the lift of the provision of the provision. If within 60 days was the control
important the period between the original three standard to per cent
within 60 days was the control
in the period subsequent to
credit to make in treation of the third shipments when the
letter of credit expired, the natual inference was that the buyers claimed that the
were extending the letter of
credit to enable a fresh tender on
substitution, and had given instructook for the period up to
November 30. Although there had
been no unqualified rejection of
becamber 12 to November 30, on
inference was that the buyers
the interest.

The provision for payment with the buyers claimed that the
provision for payment in relation to all four
shipments. That was what in fact
in the second and fourth shipments on January
to enable a fresh tender or
credit to enable a fresh tender or
shipments in the period up to
November 30.

The effect of those transactions
were extending the letter of
credit to enable a fresh tender to
be payable under the letter of
credit to enable a fresh tender
to the second and fourth shipments were eventushipm

Rabobank to Sumitomo. Sumitomo's claim, if any, lay not LORD JUSTICE LLOYD said against Rabobank but against

When the sellers forwarded the fresh sanitary certificates on November 28, they were re-tendering the documents. The letter of credit had by then expired, but cates, they were, by implication, asking the buyers to extend the

through Rabohank, as sellers' validity of a letter of credit was agent.

The goods were shipped in four shipments. Documents were presented by Rabohank to Sumitomo on October 18 1962, October 19, October 28 and November 5.

October 28 and November 5.

the buyers. There was a valid any loss suffered by Sumitomo 25 to May 5. It made similar rejection of those documents arising from the discrepancies. before the credit expired. It In the case of the first ship shipments. Sumitomo said it was not the control of the control of the case of the first shipments.

Rabobank should not be held and Car liable under tha terms of its "guarantee" for Banqoe Misr'a delay in accepting the documents after November 30.

When the parties gave and received the guarantee, they

received the guarantee, they must have assumed that Banque Misr would comply with its obligations under the letter of credit. The loss suffered by Sumitomo subsequent to November 30 arose from Banque Misr's breach, not from the original discrepancies. The second main question related to the 10 per cent balance of the contract price.

of the contract price.

The letter of credit provided that it was to be paid within 60 due solely to the sellers' failure days from date of completion of to tender conforming documents discharge, and "after assurance in the first place.

Sumitomo therenpon paid 90 to tender conforming documents discharge, and "after assurance that consignment strictly complying for specification mentioned in reimburse Sumitomo until credit terms."

On November 18 Banque Misr when Rabobank "assumed full telexed Sumitomo that the documents relating to the first two shipments were not acceptable to to tender conforming documents discharge, and "after assurance that consignment strictly complying for specification mentioned in credit terms."

On the first shipment 60 days expired on December 24, but shipments relating to the first two cles," it must have meant it was cent until May 5 1963. Rabobank shipments were not acceptable to

fresh sanitary certificates (Slaughter & May)
arrived.
Rabobank should not be held and Caroline Walton (Clifford liable under the land liable under

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(But who's manipulating them?)

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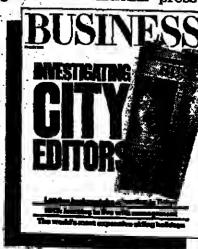
suspect, the PR firms and companies who often reap the rewards? In this month's BUSINESS, we investi-

gate the world of the City Editor. And the fine line between information

and manipulation. We also look at the hard pressed

managers of the NHS, the hard nosed brokers of the Tokyo stock market and the world's most expensive skiing holiday.

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'We are poised at a critical moment'

Charles Batchelor examines where their future may lie

shire town's enterprise agency, devotes much of his time to advising others how to set up and run their business.

But in recent months, Carpenter, who spent 30 years in the motor industry before going into small firms counselling, has been devoting more of his energies to solving his own agency's busi-

ness problems. In common with more than 300 agency directors spread around Britain, Carpenter has been pon-dering how to make himself less dependent on the Government, his local authorities and the private sector for financial support. He is currently looking et e plan to set up a centre to provide local companies with marketing advice but wonders whether

there would be enough customers in the area to make it profitable. We've been looking at projects which would earn us revenue but it's been difficult to find one which comes up with the goods," he concedes. "We'ra poised at a critical moment. How much longer will our initial sponsors be ready to back us?"

So concerned are the agencies about their future that they are bolding a three-day conference in Durbam on April 6-8 entitled Needs of the Nineties to discuss

what steps they should take. When the first of the agencies, the St Helens Trust, was set up in 1978 with the backing of the glass giant Pilkington Brothers. unemployment was rising fast and private industry and the Government was desperate to promote any project which might

This depressing economic cli-mate continued into the early 1980s as the enterprise agency idea caught on. With the ener-getic backing of David Trippier, then Small Firms Minister, more than 300 were set up around the

"Enterprise agencies became the macho symbol of the 1980s," says David Grayson, a director of Business in the Community (BIC), which is the umbrella organisation for the agencies. "Every town had to have one." Germany, the creation of an affairs manager at Legal & Gen-enterprise agency network has eral, a large insurance group made a significant contribution which supports 15 agencies. "We to the country's small firms sec-

But in the second half of the decade the challenges facing the agencies are starting to change. Unemployment has begun to fall; helping businesses expand rather than easing the jobless into self-employment has become more of a priority; and both Government and private industry are starting to reassess their role in the agency network.

Sophistication increased

As the number of agencies has grown and the people running them - either permananent industry and commerce - have gained experience so the services they offer have increased in

penter's 14-strong team in Milton Keynes provides 1,500 counselling sessions a year, runs e range of Manpower Services Commissionfunded training courses; and also have a £50,000 seed capital fund.
But some agencies are developing an even wider vision, according to BIC's Grayson. "A dozen or
so of the higger agencies are

starting to play a part in the total economic development of their region." he says. "They are involved in issues such as

attracting inward investment."
For all their enthusiasm for e
wider economic role the agencies
will continue to be judged by
their success in belping small

A survey carried out by BIC last year showed that agency assistance had halved the failure rate which would otherwise be expected among young companies. One in six of the businesses helped by an agency failed in its first three years compared with the one-in-three fallure rate of small firms generally. But the rapid growth of the

number of agencies and the Given Britain's lack of a stat-ute-backed network of chambers at a degree of autonomy they have has inevitably made for uneven standards. "In the early days

JOHN CARPENTER, executive of commerce, which play a major there was a belief there had to be director of Milton Reynes Business Venture, the Buckingham-countries like France and West there was a belief there had to be blanket coverage at all costs," notes Maureen Howe, community now have that coverage but it is of patchy quality."
To overcome this problem BIC

is drawing up guidelines to measure performance and increasing the numbers of training programmes for enterprise agency directors and their staffs.

One result of the early rapid growth in the numbers of agencies was that in some areas two or more agencies were set up which competed both for clients and funds.

"There are often several organisations doing the same things in the same area without talking to each other," says Legal & Gencies from about 3,500 compactal's Mauren Howe. "They frequently see each other almost as agency or BIC directly.

So far, Grayson claims, BIC has his own Small Firms minister at the miss which support either a local perment of Employment, wants to create closer links with his own Small Firms Service, which has just 13 offices around

other local support organisations. are increasing. New sponsors are
Alan Humble, director of Harincreasingly reluctant to put
tlepool Enterprise Agency, confunds into a general pool. They
cedes there is some overlap want to be able to say they have
between the work of his fourbacked a particular project. strong team and that of Hartle-pool New Development Support (also a registered enterprise

But if e proliferation of agen-cies is justified in economically battered towns such as Hartleduplication does not make sense. Several agencies can be expected to merge over the next few years while many more will start to The agencies are already well

financially-strapped local authorities and from the Government.

Grayson estimates that the encourage enterprise and help

agencies' £30m annual budget is provided in equal measure by the public and private sectors, A small amount of public money comes directly from the Government but the rest comes from local authorities, from the European Social Fund and from the MSC.

The private sector contribution

The agencies are keen to see funding selling the nationwide network which has been set up used to deliver more of the government schemes is the to boost enterprise. John Cope, solve,

simply responding to local demand for assistance and more innovative in their

And while local companies should continue to back the agen-

young people into self-employ-ment, uses the agencies to build up local contacts for one of its nes to back graduate enter-



Hartlepool, for example, on had no problem in raising funds Teesside, has two enterprise from industry and commerce but agencies as well as a bost of pressures on corporate budgets

"Sponsors are getting more professional," says Howe. "They fook at the value they are getting for their funding and at the pro-jects that are being put forward." Henry Durowse, manager of Shell UK's enterprise unit,

aware that pressure on them to cles in their core role of provid-rationalise their operations can ing small husiness counselling be expected to increase over the the larger companies should next few years - from the com-panies which sponsor them, from financially-strapped local author-Shell, which has developed e

the country.

But direct government funding is tapering off in line with the Department of Employment's aim of allowing the agencies to become a free-standing, private sector-led network. Meanwhile. the Trade and Industry Depart-ment, which now spearheads the Government's small firms pro-grammes, has shown little inter-

est in using the agencies.

A number of directors of the larger, more sophisticated agencies are angry that Lord Young, Industry Secretary, is setting up its own network of offices to handle his recently announced Enter-prise Initiative, completely ignor-

ing the agencies.

The agency directors feel they are well placed to do the initial vetting of applicants for funds available under the initiative,

But even if the agencies win more government contracts and to their private sponsors their problems will not be over. They are still left with the problem of funding their basic task of comselling the small entrepreneur.
Finding a new role without sacrificing their traditional aims

Budget submissions

A particularly taxing issue

Charles Batchelor reports on what is preoccupying the lobbyists

THE RUN-UP to budget day is usually a time of hectic lobbying for Britain's business mg for Britain's business organisations. But one of the main small business lobby groups has not put a detailed list of requests to the Chancellor this year on the grounds that its previous submissions have had little impact.

"Every year we have put a great deal of effort into this for nil return," claims Stan Mendiam, the pugnactous

Mendham, the pugnacious chief executive of the Forum of Private Business, which has 12,500 members. We have to make the best use of our resources and decided there

was no point in putting six weeks work into it."

Aithough Mr Lawson was spared a lengthy document from the Forum, he was sent a two-page letter asking for a reduction in the total tax and rates burden, which Mendham says is higher for small than for large businesses, and for measures to reduce interest

Mendham believes other small firms groups are beginning to share his disillusionment with the lobbying process. But if that is the case there is little evidence from the detailed submissions they

have sent in again this year.

In his 1987 Rudget the Chancellor tinkered with a number of technical details which pleased the small business lobby but there was no repeat of the humper year of 1981 which saw the introduction of the Business Start-up Scheme (since renamed the Business ased the small business Expansion Scheme) and the

Loan Guarantee Scheme.

Despite the meagre rewards for their lobbying efforts in recent years most of the small firms organisations retain

their perennial optimism.

The main objects of their desire are reductions in taxes—corporation, capital and inheritance - and improve-ments to the terms of the Loan ments to the terms of the Loan Guarantee Scheme and the BES. Most of these demands have appeared in similar form in recent years — which would suggest that the small firms groups hope to make up by persistence what they have failed to win before by their powers of persuasion.

Inheritance tax comes into

Inheritance tax comes into this category, but the Associa-tion of Independent Businesses

is putting its case for change with particular force. The association, which has 5,000 members, argues that rates of tax rise far too steeply while giving away one's assets at least seven years before death is not always realistic.

The result is that passing on

a business to the next generation is either difficult or impossible it says. Inheritance tax also features in the sub-mission of the Small Business Bureau, the Conservative Party's own lobby group, which wants it abolished on transfers of unquoted shares.

The Bureau also makes a call for the abolition of capital galas tax on investments in unquoted companies to comningotes companies to com-pensate for the higher level of risk involved. A straightfor-ward plea for the abolition of CGT comes from the National Federation of Self Employed and Small Businesses, which, with nearly 50,000 members, is the largest small firms group.

Distaste

The federation proposes as an alternative a Speculative Gains Tax applying to gains made within a year. A distaste for the current system of CGT is shared by the Association of Independent Businesses and the Union of Independent Com-panies, which has 200 mem-bers, mainly large private

manufacturing companies.

Corporation tax comes under fire from the Small Business Bureau, which points out the erosion of the differential between the 27 per cent rate applied to small business and the 35 per cent levied on larger companies. An immediate entry at 27 per cent is too high and should be replaced by e graduated rate of corporation tax with two intermediate

rates, it says.
Turning to the Loan Guarantee Scheme, which allows bunks to make slightly riskier loans under cover of a government guarantee, several lobby groups ask for the £75,000 limit, in force since the scheme was introduced, to be raised. The Union of Independent

Companies wants the ceiling raised to £250,000 for compa-nies which have been in existence for two years or more. Younger businesses would still

Small Business Bureau also wants an increase and asks for enterprise agencies and venture capital companies to be allowed to join the banks as authorised lenders.

The Association of Independent Businesses makes a plea for e doubling of the size of permitted loans to £150,000 and asks for the 2.5 per cent premium currently charged to the borrower to be cut to a nominal 1 per cent. Even if the Chancellor decides against making any hndget changes the scheme is currently under review by the Department of Employment, which could decide on modifications.

Once again the BES attracts a number of proposals. The British Venture Capital Associetion calls for an extension to entrepreneurs of BES tax privileges currently enjoyed hy investors. Any subsequent sale of shares by the entrepreneur should also be free of CGT. Both reliefs would be limited to £180,000.

The venture capitalists also The venture capitalists also call for the present limit on share option schemes to be eased. Key employees should be allowed options on shares worth up to six times their salary, instead of four times, though the £100,000 limit should be retained they say. should be retained, they say.

asks for BES tax reliefs to be limited to £250,000 for any investment in order to spread the evailable money over e

For all its limitations the large sums into smaller com-panies. Co-operatives, which have been a focus of increased interest in recent years, face more fundamental problems of raising money, eccording to the Industrial Common Owner-

It suggests several ways to make it easier for co-ops to use a share capital structure, including tax relief on pay-ments into reserves and BESstyle relief for people who

Invest in co-ops.

A recent attempt was made by the small firms lobby groups to agree a joint approach to the Chancellor. After lengthy discussions, though, a rather bland document was produced so the idea was dropped.

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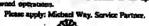
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London Symphony/Barbican Hall

David Murray

With Gennadi Rozhdestvensky solos generously respected Minor suddenly indisposed, Mark Erm. faults of balance – the excellent suddenly indisposed, Mark Erm-ler - the Royal Opera's current guest for Eugene Onegin - was a Bolshot-cent saviour for Sunday's LSO concert with its all-Russian programme. And evidently Erm-ler had benefitted either from Rozhdestvensky's rehearsals, or quite possibly from Rozhdestvensky's not having done any (it would be interesting to know certo. I think him one of the most

March 1

MITED

D BATES

podium style.

The continuous thrust be ansured both in Mussorgsky's Night on the Bare Mountain and the Second Symphony of Rakhmaninov was impressive. Special subtleties were not conspicuous. but these were clean, thoroughly treated it to plenty of profesexpert readings, and Ermler drew stonal intensity and ripe more passion from the LSO unabashed portunents, other reportunents, the later than the later t strings than he got from the ertoire sets off his best virtue.

Royal Opera band on the first better.

LSO timpanist somewhat over-encouraged, the busy strings some-times shaded by the brass — did no real harm. Most conductors need much longer to discover how to make the Barbican work. Augustin Dumay was the solo-

ist in Chalkovsky's violin conwould be interesting to know certo. I think him one of the most which; for without forewarning remarkable younger violinists to nobody would have guessed from the keen performances that a first landom, as it happens), and last minute substitute was in granted something less than his charge. It spoke very well for the usual impeccable pitch among the ledger lines he created a fair readium style. the ledger lines he created a fair sensation. His combination of big, cultivated tone with sizzling bow-attack is exciting, but no more so than his sharp musical imagination. I wasn't quite con-vinced that Dunay actually Mes the Chaikovsky, though he treated it to plenty of profes-

night of Onegin. Without any bla-tant roar contrasts were high and enough to conduct the BBC SO at strong, tempi crisp, first-desk the Festival Hall tonight.)

Thomas Hampson/Wigmore Hall

Richard Fairman

The stream of growing reports in foreign magazines about Thomas Hampson's European opera performances has recently turned into a flood, and this recital on Saturday night was a most eagerly-awaited event. The word had because was also encouraging him one notch of wolume too high. into a flood, and this recital on Saturday night was a most eager-ly-awaited event. The word had clearly got around: the house was almost full, though that is per-haps not surprising given that ness informed the whole evening, the young American has yet to not only in the singer's linguistic the young American has yet to make his opera debut over here

catch him for a year.
In voice, as in physical stature,
Hampson is built on a generous American scale. The tone pours out with a healthy and sunny, open-air freedom. A few distorted vowels in his singing of Haydn's English Canzonettas apart, there was almost no sign of the mouth of the mouth

had in his early singing days.

As an artist, though, Hampson honeyed tenderness that he is already showing a greater senbrought to Mahler's Zu Strasssitivity to musical styles. This burg and dem Schanz," Hampeo

The stream of glowing reports in loud, that was probably because

A general air of cultural awareabilities, but also in the way be make his opera debut over here
and this was the only chance to
catch him for a yeer.

In voice, as in physical stature,
Hampson is built on a generous

The puts together his recital programmes with an obvious interest in looking out unusual songs or parallel settings by different composers. A Meyerbeer group was a special novelty: the songs do not have much lyrical appeal,

was almost no sign of the mechanics that go into producing the sound, for this is a natural firstrument par excellence — the sort of voice his American colleague Sherrill Milnes must have the lesser known Mahler) was no less fine. From the obvious force of his Schönberg to the honeved tenderness that he recital programme, given in impresses with the range of what exemplary German and very he can do. The will is there to creditable French, was never search for the heart of the music, over-bold or brash; and if the as well as the equipment to singing was occasionally too deliver it.

Bournemouth Symphony

Paul Driver

The Bonraemouth Symphony heard in a long time, though Orchestra showed itself off under there was a touch of preciosity its Principal Conductor elect, about the way it was used. It Andrew Litton (be will take over seems a little indecent to comfrom Rudolf Barshai as from next plain, however, about a perfor season), at the Royal Festival mance which superbly presented Hall on Friday. They began with a stream of unfamiliar, attractive Berlioz's overture Roman Curus and fascinatingly-argued music wal and immediately made a Litton, altogether an eloquent favourable impression. There was and effectual conductor, ensured a satisfying overall fromess of some loyely mixtures of solo and a satisfying overall firmness of some lovely mixtures of solo and tone and tightness of ensemble, tutti timbre, and the accompaniand much, additionally, in the ment was a model of well-drilled way of fragrant curlicues of sensitivity.

Symphonic Rakhmaninov's Symphonic sound and crisp little articula-tions of rhythm. The music was Dances came over graphically driven, but not over-driven, and strong, full of pounding energy its dramatic surprises were all and exacerbated nostalgia. The

the more effective for the ampli-saxophone solo in the middle of tude of the context in which they the first movement was beauti-Nielsen's not often played Violin Concerto Op. 33 (written after
the Third Symphony in 1911) followed: the soloist was Cho-Liang
Lin (like the conductor, a graduate of the Juilliard School),
whose technical accomplishment
was breath-taking and only just
on this side, perhaps, of robotic.
His tone is as fulsome and silvery-gold as any violinist's I have fully rendered. The second ("a

Phoenicians in Venice

I Famici, that is to say The Phos- in the archaeology of the ancient spread westward through the nicions, is the latest in the series Mediterranean world and he whole of the Mediterranean

achoolroom memories of Tyre and Carthage, of Queen Dido and Hannibal and ancient trade in tin with Cornwall. The sense is of a people forever on the periphery of one's historical vision, never quite in focus, always marginal to the affairs of greater nations.

It is therefore not all that sur-

could as well have been shown in Surely the Phoenicians must half the space, but such a show have contributed something more would have required much particular and substantial of deeper concentration: this show their own, yet from what we see is simed at the child and the genbere, while heing distinctive, eval viewer as well as the their contribution seems light-scholar; and by far the greater weight, more personal than pubportion of these fascinating and lic, more decorative and charmacter and the second the second that the forcetion of the second that the forcetion of the second that the forcetion of the second that the second

tino Moscati, under whose gen-eral direction the show has been but together, is a leading scholar Christian millenium, as they

micions, is the latest in the series Mediterranean World and he of the Mediterranean World and he whole of the Mediterranean Fiat Corporation has brought to ing as much of the material as Venice over the last few years there is to present. The proper through its restoration and sponsorship of the Palazzo Grassi.

Thus far the programme has Miss Gae Anlenti, the exhibition's designer, has provided a sophistication that may be interpreted sither way, as influence swang between modern, and historical or archaeological subjects. This show, which has attracted diverts both eya and mind; to further sponsorship from the core's delight or irritation accordance in a did they flour into taste. Model galleys ply mising in a trading and far-travitation what did they flour is the stationary way across a clied people, as is the general large tank; a hage plaster wave level of technical sophistication; but rather more odd is the sense throughout of a culture unspecific and unresolved.

Such cultural variety is unsurprising in a trading and far-travitation what did they leave of sand. The primary material fic and unresolved.

Such cultural variety is unsurprising in a trading and far-travitation what did they leave of sand. The primary material fic and unresolved.

Such cultural variety is unsurprising in a crading and far-travitation in plass the space, but such a shown in half the space, but such a shown in the contributed something more

often ravishingly beautiful artising than forceful and essentially facts, gold, silver and ceramic, impressive. But could it have stone, wood and ivory, large and remained so over more than 1000 tion is the first attempt ever small, is effectively displayed:

made at a definitive public study of tha Phoenicians and their remoter past and rather further the Atlantic coast of Africa to the world. The befty catalogue gives to the east, the Phoenicians Phoenician homeland itself? the left as it now stands. Sabetino Moscati, under whose care.

William Packer



Crouching lion, from Byblos; made of basalt, it is dated 6th - 4th century BC

Temba/Young Vic

Claire Armitstead

can guests, from Durban's Upstairs Theatre, have commanleered the main house with a singing, stomping blow for town-ship theatre – a tradition which has its origins in black folk culture, which has grown up among South Africa's black communi-ties and become militant with

Seira Essa's You Can't stop the Revolution is for those who like their revolutions red in tooth and claw: choreography of oppression and insurrection is backed by a relentless stream of photographic evidence of coffinitie bunks in resettlement camps, of burnings, sackings and killings. It could not, of course, be more topical, and some of the accounts given by victims of Apartheid are quite borrifying. But the horror is not really a theatrical construct this is a call to the barricades, which would quite understandably be more at home in the South African marketplace than a politely receptive English theatre. Temba partner the show with

to a white, brings his wife back to the house his father has left him, in the hope that she will agree to take it over. His plans, however, are thwarted by the presence of his prodigal younger brother, who was disinherited four years earlier and has since devoted himself to undermining the system from the outside organising riots while Patrick decides whether or not to make black sections a condition of his Labour Party nomination.

. Cameron is not such a subtle observer of human character as to make the situation credible. mentator as to represent the arguments convincingly. For a clore Gallery will house the exhibition Turner and Architecture, sponsored by chartered surveyors cheeky performance, is himbered with the language of an Essex University politics graduate (Hanlan is, in fact, a Cambridge maths drop-out; and would surely have thrown the largon over with the target, while Catherine (Anns nor such an astute political com Black Sheep, the first play by

different stylistically and in participation in British politics: with Patrick, who is damned intention as could reasonably be through a vehicle that styles almost from the start by his ranged hehind the banner of itself a modern day Cain and moral and intellectual flabbliness black politics. Their South Afticant guests, from Durban's politically ambitious and married. Goodman that labours under a linearing Theorem have comman.

studied naturalism.

The issues raised in the play are undoubtedly important but compared with the dynamism and originality of Black Love Songs, the American double kill with which Temba kicked off their residency, this is a very pedestrian affair.

"Turner's Architecture" at the Clore gallery

The Berlioz Experience/South Bank

Andrew Clements

There is a gap of only six years been trained for the occasion and between the composition of Bee- an excerpt from the second act of antiphonally opposed, even the thoven's Ninth Symphony and Spontini's La Vestale – Miss Harthard of Berlioz's Symphonic fan rhy again in fine declamatory oured favours – red for Capulets, institute, between incipient symphonic form – provided the first musi-

that of Berlia's Symphony and that of Berlia's Symphony and the first must be provided the first must be flowering of the real thing. The Beethoven Experience is mounted a year ago on the South Beak by Boger Norrington and the London Classical Players concentrated upon an historically be for contemporary addences with the sumble for contemporary addences with the sumble for contemporary addences whith the sumble for contemporary addences hult around Berlice was the next real thing. The Berlies Experience of the sumble for contemporary addences hult around Berlice was the next real thing and an open rehearsal, and the sumble for contemporary addences what the sumble for contemporary addences whith the first must real successor. The Berlies Experience is most of the sumble for contemporary addences whith the first must be for contemporary addences which be for contemporary addences which be for contemporary addences which the first must be for contemporary addences with the sumble for contemporary addences to the sumble for contemporary addences which the first must be for contemporary addences the Symphonic fantastique that followed.

In this more and the first must be revealed to a direct entire into the world of the sumble for contemporary addences to the sumble for sumble for contemporary addences to the sumble for the first must be for contemporary addences to the sumble for the for the first must be for contemporary addences to the first must be for contempo

that work and Berlioz's involve—lucid and incisively dramatic, description of revelatory. Those ment with Shakespeare in gen-was able to make its points within the Berlioz Experience do, not erral. But the historical back-out effort; as he demonstrated just because Norrington has proeral. But the historical background was laid out in the first
half of the opening concert: Berlioz's own musical forebears Gluck, Beethoven, Spontini and
vividness of the performances to
be expected throughout the Experience was established. The
beginning of Gluck's Iphigenie en
Taurids was delivered by
Riddwen Harrhy and the Schütz
Choir with stinging intensity,
Beethoven's Coriolan and
Weber's Observe overtures demonstrated the bant filness to which
fine London Classical Players had on the fiort; as he demonstrated
intending to the performance over, tha thinnedlown sonorities and cleaner
articulation of these instruments
the composition of two of the
most singular works in the 19thcentury symphonic repertoire,
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The Cherry Orchard/Crucible, Sheffield

Michael Coveney

The black company Temba con Derrick Comeron to be profes—Savva) creaks under the weight time their residency at the shows as inea the thorny issue of black ness. Trever Gordon does his best.

Hach visit to the Sheffield Cruci-important new graduate from the team, invests with a sort of galloring their residency at the shows as inea the thorny issue of black ness. Trever Gordon does his best.

Have formetimes fall that There is a superior of galloring the confirms the quality of the post-political fringe to the big loping histrionic despair.

Like so many Gayevs, though, I same the thorny issue of black ness. Trever Gordon does his best. peanism is too streamously pur-sued. But with her co-director two had hed frames, to the down-Steven Pimlott, Miss Venables is stage wells. An interior wall with

Steven Pimlott, Miss Venables is doing something of immense significance in the British theatre.

She is challenging the visual traditionalism that characterises, for instance, Alan Ayckbourn's revival of Tis Pity She's A Whore at the National Theatre. It is high time somebody did, apart from Philip Prowse at the Chasgow Citizens. The Cherry Orchard remains

an imperishable test of any com-pany's aesthetic priorities. Simon Vincenza's distempered white walls and scrubbed floorboards, books and broken toys scattered with insolent abandon across this nursery tundra, is the visual soul-mate of the famous all-white productions of Strehler and Ser-ban, as well as the uncluttered austerity of Richard Eyre's televi-

sion film.
Vincenza takes to this exciting thrust stage like a duck to tast extrang-thrust stage like a duck to water. His background in Impact The-aire and DV8, and a memorable contribution to The Sleep, a mini-malist rock-a-bye homage to Catatonia (the joke was Blake Morrison's), mark him out as an

descriptive litany. The acting in Chiekhov is always the more effective when seen in imaginative "senssurround." And the domestic orders are particularly well done here. Liz Stooke's Dunyasha is a beautiful study in importunate flirtation, playing thoosy with John Ramm's silkily inconsiderate Yasha on the garden bauch. And Linda Dobell's shrugging shoulders, shouting den bench. And Linda Dobell's drudge-like Varya is a sobbing sister of keys and care, drenched in disappointment, but not self-pity, like Niobe, "all tears."

Anna Carteret conveys force ing nastiness.

fully the sense of a woman Patrick Godfrey delivers the returning bome after five years usual sort of bent, sepulchral and a broken affair in Parls. Her Firs. I think this character needs Ranevskaya, slim, vital, elegantly the cuts of the second act so tell-

At the moment they ring false in this hallowed temple of the game, bome of the Snooker World Martin Duncan's cadging land-

owner is palpably too tall and thin, I find Rachel Joyce's Anya

> petual motion of butterly dives, shrugging shoulders, shooting cuffs and twiddling thumbs. His energy resides in his restlessness, and his triumphant cry, after buying the estate, "We'll fill the place with cottages" has a thrill-

confied in a silver wig and clingingly restored by Mike Affreds at
wrapped in a mauve dress, is a the National So, for that matter,
volatile creation of laughing eyes does Charlotta. Sheffield uses
and gulping emotion. She pairs Ronald Hingley's dependable
well with her brother Gayev, translation, less racey than Trewhom Christopher Good, a notable stalwart of the Venables Michael Frayn's.

Arts Guide

Opera

LONDON

Royal Opera (Covent Garden). Mirella Freni sings her first London Tatyana in the Eugene Onegin revival, Jean Rigby, and Nicolai Ghisurov. conducted by Mark Erm-ler. Margaret Price returns to the Royal Opera in the revival of Unballo in Maschera: the cast also includes Giacomo Aragall, Alexan-dru Agache and the great Russian

mezzo, Irima Arkhipova. 260 1026)
English National Opera (Colliseum).
Ian Judge's production of Cavalleria Rusticana and Pagliacci, Itrely, irventive, over-detailed, returns with a cest including Jane Ragien, Arthur Davies, Angela Feeney, Alsu Woodrow, and Jacek Stranch. In the first ENO production of Britten's Billy Studd the cast is led by Thomas Allen in the title role, Philip Langidge (Vere) and Richard Van Allan (Claggart); David Atherton is conductor and Tim Albery producer. (836 2151)

PARIS-

Tokyo Ballet and Bejert (Palais des Congrés). A reconciliation of tradi-tional Kabuki dence and a more contemporary approach. (47581404).

NEW YORK Merce Cunningham Dence Company (Joyce). Two major premieres are included in the four programmes during the month-long schedule of twelve works. Ends Merch 27, (242

Metropolitan Opera (Lincoln Center Opera House). James Lavine con-ducts Coal Fan Tatte with Kirl Te Kanawa, Susan Quittmeyer, Hei-Kyung Hong and David Rendall in Gratiella Sciutti's staging, James Coalen conducts August Everting's production of Khoyanechchina with production of Khovanschehina win Elizabeth Enighton, Stefania Toczyska and Timothy Noble. James Levine conducts Otto Schenk's new production of Siegli-ied with Hiblegard Behrens Gwen-dolyn Bradley, Peter Hofmann and Donald McIntyre. (362 6000).

WASHINGTON ... Washington Opena (Kennedy Center Opena House). Frederica von Stade in the title role in Cendrillon conducted by Mario Bernardi Joins Beschoven's only opena Fidelio. It is conducted by Gerard Schwarz, produced by Michael Hampe's and Restures Lalla Anderson Falme as Leonore, Herbert Eckhoff as Don Fernando and Marrus Haddock as Jeouino. (254 3720)

Berlin, Deutsche Oper, Der Liebestrank has ster tenor Leciano Pavarotti in the title rule. Maisme Britterity is respectable with Yoke Nomura, Giorgio Merighi and Andrees Schmidt. Oedipus will be conducted by Christof Prick, Manon Lescant brings Raine Rabelvanska, william Muray and Giorgio Merighi together. Die Verkaufte Brant completes the week.

WEST GERMANY

Himburg, Staatsoper. Der Pliegende Hollander eters Carmon Beppel, Siegmund Nimsgern, Heinz Kruse and Harald Stamm. Don Glovannt in Marco Arturo Marcili's production is revived with Samuel Ramey, Linds Flech, Arits Mattils and Eart Streit. Also in the repertory, Zar and Zimmermann

Cologue, Opera. Aida has fine inter-pretations by Stroma Bagitoni, Was-silio Janulako, Uirich Hislacher and Awilda Verdelo. Wozaek has Walter Berry, Nadine Secunde. Don Pas-quale features Reinhard Dorn, Jan-ico Hall and Ludwig Bauma.

Frankfart, Opera. Don Giovanni has William Shimell in the title rule, for the first time. Coal Fan Tutia, con-ducted by Gary Bertini has Mar-garet Marshall, Diana Mentagus and David Rushle. This week's high-light is Otello with star tenor Rene Eolio.

Suringart, Württambergisches Staat-sthester: Fidelio with Marianne Hirst, Wolfgang Probet and Toni Kramer. Madame Butterfly has Awilda Verdejo, and Michael Austin as leads. Ctello has a strong cast led by Gabriele Benackova-Cap, Viadi-mir Atlantow and Bernd Welki.

March 4-10

ITALY

Milen: Teatro Alia Scala, Francesco Cilea's Adriana Lecouvreur in Lambarto Puggelli's production conducted by Guiseppe Patane. The cast includes Jose Current (alternating with Alberto Cupido), Monserrat Caballe (alternating with Adriana Morelli), Juan Pons (Angalo Romero) and Florenza Cospotio (Vera Bamewicz).

NETHERLANDS .

METHERILANDS

Amsterdam, Muziktheater. The Netherlands Opera in Selomé by Richard Stransa, directed by Harry Rupfar, Bartonit Haenchen conducting the Rotterdam Philharmonic, with Eva Maria Bundschuh in the title role, Gunter Neumann (Herod), Helga Dernesch (Herodias), and John Brocheise is Jakamaan (Mon, Thur). The Nederlands Dans Theater with Tabula Rosa (Part/Neharin), Frankenstein (Gruber/Kylian), and Sympheny of Prahms (Stravinsky/Kylian) (Wed), (255 455). Rindhoven, Schouwburg. The Tanz-Forum of the Cologne Opera in Delibes' Coppella, with the Sudwestfalische Philharmonie under Rainer Koch (Thur). (11 11 22). Groningen, Schouwburg. The Junge Oper Wien with Mozart's Die Zamberflote conducted by Wolfgang Cabriel and directed by Hanns Zimmeri (Tue). The Reflex Dance Company with Palace Variations and three new pat-lie-denr. (Wed, Thur). (12 56 45).

Saleroom/Antony Thorncroft Tea returns to Japan

There is nothing an auction Japan. Suita paid £4,950 for an house likes more than a crush of early Edo period jar while a 19th new buyers, especially if they are century tea caddy went to Tare-Japanese. So Christie's was saki for £3,300, five times its estimately than the same and the same faces at its Japanese works of art bowls, caddies, fresh water jars, sale. They were mainly interested incense boxes and burners, and in a collection of seventy five flower vases used in the cerelots, built up by a European col-lector, of utenalls used during the forecast.

Momayama period of the late an American collector bought a 16th century. Oribe is one of the Kaklemon decagonal dish deco-"Seven Sages of Tea" and was the rated with a ho-o bird perched in Chief Tea Master of his time. He developed the austere Rikyn style that he inherited into a more flamboyant fashion, and his curiously shaped tea bowls

in a treasonable plot against his leader and was "granted death" in 1615. This chawan, with slight

mony were usually way above

Japanese tea caremony.

Full Shiro, from Japan, paid Sanwa, the Osaka dealer, the top price in the morning session of £28,600 for a chawah, or and cover, 92 cm high, of the tea bowl, made by Oribe in the Genroku period, for £15,400 while the late of American collector hought a a plum tree for £12,100 (double its estimate). A pair of large Fukagawa blue

and white uniform vases with his curiously shaped tea bowls domed covers, 102 cm high and and water jars were considered dating to the late 19th century, eccentric. Oribe became involved sold for 28,250, and the same buyer paid £7,150 for an Arita blue and white oviform vase and cover. The afternoon session prodamage, doubled its top estimate, dued few excitements, and a top
All told the tea utensils price among the prints of 25,500
totalled £76,835, with the most for an actor print of 1795 by
expensive items returning to Shun'ei.

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Tuesday March 8 1988

Exchange rate uncertainty

Not surprisingly, the Treasury and the Bank of England state that policy bas not changed. For-mally, they are quite correct, the reason being that the Government has committed itself not so much to a policy as to good inten-tions about stable non-inflationary growth.

Unwillingness

There is a difference of empha-sis between the Prime Minister and the Chancellor of the Exchequer on how to deliver on these hroad intentions. The former has emphasised her unwillingness to surrender monetary sovereignty to the Bundesbank. The latter remarked to the Treasury and Civil Service Committee on December 9 1987 that "keeping the pound in line with the Deut-sche Mark is likely to be, over the medium term, a pretty good

anti-inflationary discipline."

Given the failure to join the exchange rate mechanism (ERM) of the European Monetary System (EMS), those remarks leave no indication of the range within which the exchange rate would be allowed to move. This uncer-tainty was being diminished in the only way it could be, by expe-rience. The Chancellor indicated his desire to see no further falls in sterling when the rate was DM2,79. Since official reserves have increased by some \$20bn, in large measure to keep sterling below DM3, it was reasonable to conclude that the policy was to keep sterling between DM2.80

It may have been reasonable, but it turns out to have been incorrect. Does this matter?
The principal justification for the exchange rate link was that the exchange rate would provide a nominal anchor for the economy after the breakdown of monetary targetry. Businessmen would get the stability they had constantly demanded, while the punishment for inflationary wage bargaining would be obvious.

"NO, 'TIS not so deep as a well, nor so wide as a church door; but the policy is difficult to opertis enough, 'twill serve." So answered Mercutio when asked ity of the link is undermined by about his state of health, after receiving a mortal wound. Does ship of the EMS. The influence Mr Nigel Lawson need to reply in on wage bargaining has been the same vein when asked about negligible, while financial marting the same vein when asked about the same vein when asked ab the state of his monetary and exchange rate policy after yester-day's rise in the sterling rate of exchange above DM3?

Regignite, while handcal fitted the policy. The discrepancy is largely explained by the differences in time borizons. Whenever the Government acts to confirm the D-Mark floor by to confirm the D-Mark floor by raising interest rates, as at the beginning of February, short term capital flows into the UK to take advantage of high UK yields. If the Government had wished to confirm what had come to be seen as its policy, it should have reacted to the upward pressure on steeling by represents foreign.

on sterling hy purchasing foreign exchange until, convinced of the permanence of the inflow, it finally cut interest rates. In cutting rates it would have been bowing to the logic of its own policy. If the exchange rate link with the D-Mark is credible, interest rates, at least relatively short term ones, cannot get too far out of line with German lev-

Ambiguities

If the UK had been a member of the ERM, the present appreciation need have caused no great damage. A change of parity could have been announced, while still preserving an exchange rate tar-get. Indeed, an upward shift in the exchange rate could have been seen as reconfirming count-er-inflationary zeal. In the absence of full EMS membership, interpretation is different. With the ceiling changed in response to foreseeable forces, the exchange rate must now been seen as one of a number of indicators used to guide the economy in aiming st an acceptable trade-off between inflation and economic growth. This used to be called fine-tuning.

The Chancellor's policy may not bave received a mortal wound, but if so it is because many were mistaken about what it was. He will need to re-establish some nominal framework in his Budget speech. If current ambiguities are not resolved, the Government is likely to discover like other fine-tuners before it that it will have more inflation in the medium term and more unemployment in the long term.

Flawed plan for inner cities

THE BRITISH Government's announcement of a new programme for the inner cities is strong on presentation, but weak on new ideas or new money. The Prime Minister, Mrs Margaret have been drawn in to enhance Thatcher, was flanked by no fewer than six of her ministers when she announced yesterday that, "in partnership with the people and the private sector," information about it; this should increase the pressure to release on "a great enterprise which will on "a great enterprise which will leave its mark on Britain for leave its mark on Britain for decades and carry our towns and cities into the 21st century in much better shape." This statement was hacked up hy an assortment of press releases and a glossy full-colour brocbure, entitled Action for Cities. On inspection, this turns out to be one of those cases in which the fatness of the prospectus is in inverse proportion to its contents.

development.

Taken as a whole, however, the package is shallow. The principal reason for its shallowness is ideological. The Government has a profound distaste for local authorities. Most of what the public was reminded of in yesteriday's announcement by passes one of those cases in which the fatness of the prospectus is in inverse proportion to its contents.

Red tape

Individual items in the colla-tion do have value. The Mersey-side Development Corporation will have its area doubled and a new urban development corpora-tion will be established in Shefties can cut through red tape to promote development. The first, in London's docklands, has been operating since 1981 with some success. Again, the five "city action teams" set up three years ago to co-ordinate at a local level the work of central government departments will be joined by two more. They might be useful. Two varieties of grant to stimuwill be replaced by a "new simpli-fied" single grant. It could help.

money will be found for "compacts", in which groups of the end of the month, will leave
employers work with schools to
some of those at the very bottom employers work with schools to some of those at the very bottom guarantee a job with training to of the pile with less income than every school-leaver who meets certain standards. This is a promising idea which has been developed in London with the help of the longer London Education be rescued from dependency by the combination of such eticks. Authority (an effort not men-tioned by the Government yester-day as the ILEA is in political rots, but many will become more disfavour and due for abolition).

increase the pressure to release derelict or under-used sites for

developing derelict areas. But the task of offering such encouragement is given to agents of the central government and co-ordinators, or to non-elected authorities with coveriding property. This ties with overriding powers. This ignores the value of local democracy. It is true that a number of local councils have fallen under extreme left Labour domination. Such councils seldom serve their constituents well. A good solution would be to reform local gov-ernment. This has not been done.

Dependency

Other Government policies, not counted in the inner city balance sheet, are likely to do more dam-age to the immediate interests of many of the worst-off inhabitants of the inner cities than yester-day's measures are to do good. with the replaced by a new simple. The new community charge, or Local anti-crime drives will be poll tax, will be payable by every given co-ordinators, at a cost of inhabitant, however poor; the £2.3m in the first year. There are other items. Some per cent. The new social security

IT HAS NEVER happened before Today voters in 20 states across the US will cast their ballots in separate will cast their ballots in separate Republican and Democratic party elections to choose about a third of the delegates for the two national conventions in July and August. There the delegates will nominate their partys' candidates for the presidency.

Already there are predictions, based not only on the opinion polls but also on the implications of the complex rules governing delegate selection that

rules governing delegate selection, that in the Republican Party the day's events could give Vice President George Bush a nearly unassailable lead in the race for his party's nomination.

If these forecasts are accurate, his main rivals, Senator Robert Dole and the Reverend Pat Robertson, could be left with little more than the hope that the Vice-President will commit the sort of egregious electoral blunder that will let them back into the contest. Six short weeks ago, after the first caucus in lows, their prospects looked much

Testimony to Mr Bush's strength has already come from his main rivals. Mr Robertson is talking about co-operating with Mr Dole in a "stop Bush " move-ment. Mr Dole is said to be preparing an all-out effort to halt Mr Bush's for-ward progress in what many political analysts see as a last-ditch struggle in

the Illinois primary next week.

Mr Bush's supporters may, therefore, end up rejoicing at today's bunching together of early primaries. This would be something of an irony for a Republican since it was state governments run hy Democrats which were primarily responsible for creating the so-called Super Tuesday in the first place. The double irony is that those same Democratic instigators enter today in no mood for celebration.

That is because, as it has turned out, they have probably created in Super Tuesday a monster which is running amok and trampling all over the goals they had in mind when they made their

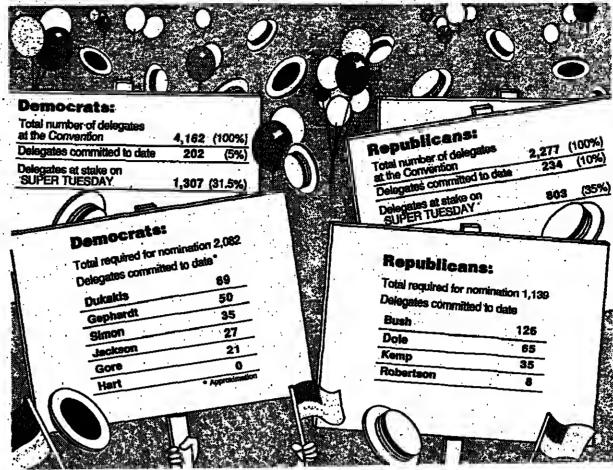
With the sole exception of 1976 when Jimmy Carter, a former Governor from Georgia, swept the south on his way to the White House, Democrats have for 20 years been swimming against the conservative tide in presidential elec-tions in a region which has been trans-

formed not just economically but politi-cally in the last 25 years.

After Vice President Walter Mon-dale's humiliating defeat by President Ronald Reagan in 1984, when Mr Mondale carried only his home state of Minnesota and the District of Columbia southern Democrats decided enough was enough and the nominating pro-cess needed changing yet again. They believed that the McGovern-Fraser reforms of the early 1970s, in particular, strengthened the influence of the par-ty's liberal wing and especially organ-ised labour. The sort of candidate the system was likely to produce had too little chance of carrying the more conservative south.

By bunching the primaries in 14

southern and border states early in the year they hoped both to diminish the attention which the public (and in particular this media) paid to early, and allegedly unrepresentative, contests in Iowa and New Hampshire and to permit southern influence to rise again mit southern influence to rise again
Some even harboured the hope that a
prominent conservative southern Democrat, perhaps Senator Sam Nunn of
Georgia, would be on the ballot on
Super Tuesday, believing that the combination of regional pride and political
talent would propel him first to the
party's nomination and then into the
presidency. For if there is one thing
most political analysts in the US agree
on today it is that a Democrat who on today it is that a Democrat who cannot carry some key states in the south has the odds heavily stacked against him in the presidential election. But it has not happened as intended. Mr Nunn chose not to run, as did another popular southerner, former Governor Chuck Robb of Virginia. There are southerners in the field, the Reverend Jesse Jackson and Senator Albert Gore from Tennessee, but the Today's US presidential primaries are proving embarrassing to the Democrats. Stewart Fleming reports



Short of comfort in the south

re-race favourite is Governor Michael

In Texas, for example, Mr George Christian, formerly press secretary to President Lyndon Johnson and now a widely respected political consultant in Austin, was last week expressing concern that the Democratic Party might be on the verge of nominating another liberal as its party's standard bearer. He recalled that the Democrats have never won the presidency without win-ning Texas and Texas is a state Mr Bush calls home, even though his roots

may be elsewhere.

More than this, far from being a decisive clean fight, Super Tuesday has degenerated into an ugly brawl among a field of candidates in both parties. This has left many of those likely to participate, (at best 20 per cent of the electorate) either undecided about who electorate) either undecided about who to support or repulsed by the spectacle. In part, this is because the scale of the battle has overwhelmed the resources of tha candidates. Media experts suggest that a fully financed campaign in Texas alone would cost \$800,000 (£451,000) for the week leading up to Super Tuesday. The Democratic candidates simply do not have this sort of money to commit to a single state. So, short of cash and frantically trying to make contact with apathetic voters in the three weeks since they left New Hampshire, they have been resort-ing all to often to cheap (in all senses of the word) attacks on their rivals trying to target their spending to regions where it will have the most impact at the least cost.

Congressman Richard Gephardt, the Missouri Democrat, has run a 10-second political advertisement charging that Mr Dukakis has "smeared" some of his rivals and "spied" on others. On the Republican side. Senator Dole, still smarting from the blistering attacks from Mr Busb which contributed to his defeat in New Hampshire, has prepar an advertisement pointing out that, while in office, the Vice President was leading the White House terrorism task force, which said the US would never sell arms for hostages, and, at the sama time, approving the arms sales to the Ayatollah Khomeini, Republicans are

> Far from being a clean fight, Super Tuesday has degenerated into an ugly brawl

fearful that all Mr Dole is doing is pro-viding the rival Democrats with ammu-nition for their autumn offensive against the Republican presidential

When they are not damning each other through their television adver-tisements the candidates have been ricocheting from airport to airport around the south, sometimes covering as many as six states in a single day, hoping that these so-called election "events" or "press conferences" will be reported on the local television news. So-called "free media" is not only cheaper, because it appears as news, but is also

But it is not just the immediate impact which the Super Tuesday for-mat is having on the style of the campaigns that has been worrying moderate party leaders. Even before the final frantic weeks of campaigning across the country it was clear that far from diminishing the importance of Iowa and New Hampshire, the Super Tues-day arrangement had accentuated the significance of the February races in

those two small states.

They certainly made possible the emergence from the pack of Governor Dukakis who, in a divided field, is now appealing successfully to suburban liberals, white-collar workers and teachers and continuous transport in Teach History in Tea and (particularly in Texas) Hispanics. He has the added advantages of being by far the best financed and organised candidate. Moreover, also voting today are his home state of Massachusetts, as well as Washington and Rhode Island, where he is well positioned.

The most truly southern of the Dem-ocratic candidates is also a man the originators of Super Tuesday did not particularly want to see near the front of the pack. Rev Jesse Jackson, the black former civil rights leader, is also the most liberal Democrat in the field, a man who would raise taxes on the wealthy and slash defence spending to tive Democrats believe that the party's post-Victnam label of being "weak on defence" has been one of its biggest liabilities in a region which is more overtly patriotic and pro-military than other parts of the country.
With the Democratic field divided

be succeeding in targeting their mesbe succeeding in targeting their messages to particular geographic and demographic groups. Mr Jackson's strong base among the large black populations of the south, allied to his growing appeal among a minority of working class and liberal whites, has led political analysts to predict that be could emerse with up to a courter of could emerge with up to a quarter of the 1,307 Democratic delegates at stake

Even Mr Gephardt, one of the founders of the Democratic Leadership Council, the moderate Democratic pressure group which gave the idea of Super Tuesday a political push, is not proving to be a conventional middle of the road Democrat. Rather, he is busily embar-rassing some of his erstwhile DLC asso-ciates, such as Mr Robb, by running as an economic nationalist He, in turn, is perceived to be chal-

lenged most directly by another DLC member, Senator Gore who, at least does conform to regional prototype by being moderately conservative with a strong stand on defence issues, but with a smooth enough patina to woo voters outside the south. The able, but still youthful Senator Gore, 39, however, entered the contest belatedly. He hopes that his decision not to run m wa and New Hampshire, but to husband his financial resources for today's races, will not prove too big a handicap. Further muddying tha Democratic waters are the complex rules for choosing delegates to the convention, which vary from state to state. Gener-ally they are based on a system of pro-portional representation allocated by congressional district. These rules, cou-pled with the fact that in eight southern states registered Democrats or Republicans are allowed to cross over and vote in the other party's primary (but not, in such an event, their own) also add to the overall uncertainty surrounding the likely outcome .

In the Republican party, there is less uncertainty. Although the rules vary, in several key states (notably Texas) a modified winner-take all system is in operation. This means that Mr Bush could win not just a share of the dele-gates proportional to his overall per-centage of the vote, but in some cases

an entire state delegation.

But even though the Republican primaries could be much more decisive than the Democrats' in terms of producing a clear front-runner, the Republicans are, nevertheless, becoming increasingly concerned about cohesion within their party in this election year. Their particular problem is the right-wing religious zealotry represented by Mr Pat Robertson. It seemed after his resounding second place in Iowa where he pushed the Vice President into third place, that he would be one of the win-ners on Super Tuesday. A string of pri-maries in the Bible belt of the south, where Christian fundamentalism is strongest, seemed tailor-made for the former television evangelist.

His unimpressive performance on Saturday in South Carolina raises some questions over that assumption, but it does not remove them. Moreover Mr Robertson is conducting guerrilla warfare at the grass-roots level of his party. The militant tendencies of his supporters, with their religious agenda, constitute a strong force in the party, possibly exceeding his electoral drawing power. There are reports, for exam-ple, that some delegates selected to the Republican convention as supporters of vice President Bush might actually be Robertson allies. This threat of a party divided by religious zealotry could, in the short term, however, be another factor working in Mr Bush's favour. If he does as well as expected today the temptation for mainstream Republi-cans to rally round his candidacy and so to diminish the divisions in the divided and bickering Democratic field would then be seen as a liability to a party many of whose members believe that, if it could only unite around a candidate quickly, it can mount a potent challenge to the Republican can-didate in November, particularly if that candidate is Mr Bush.

New suitors for the Old Lady

MA science akin to Kremlinology is practised by the City's Bank of England watchers, and the departure of two top officials, Rodney Galpin and David Walker, in only a week has presented them with a veritable feast for speculation. Walker and Galpin were executive directors (the Bank only has four of them), which puts them directly below the Governor and his deputy in power and influence.

Walker occupied a rather ill-de-fined position. He was brought in from the Treasury in the 1970s by Gordon Richardson to look after industrial matters and help alling industrial matters and help alling companies. As those demands eased with Britain's improving corporate health, he shifted his considerable energies to the securities markets, whare he was deeply involved in stage-managing the Big Bang.

In his new job as chairman of the SIB, he will retain a non-executive directorship of the Bank (he plainly has his sights on the top job) so he may not be replaced—even if that were possible with someone who had made the job so much his own.

thet the post be occupied by a There are two obvious candidates: Peter Cooke, the associate director who is chairman of the

My money is on Quinn, a com-pact Scot who has been called a "mini Sean Connery" because of his resemblance to the actor. Quinn knows the husiness

OBSERVER

Both Downing Street and Buck ingham Palace have to approve the appointment. Further out, the shuffle could also affect the Bank's top eche-lons. Sir George Blunden, the Deputy Governor, retires in 1990, and now that both Galpin and Walker size gone, the field looks clear for Eddle George, the execu-tive director in charge of mone-tary policy and financial mar-kets.

Out of focus Mars Thatcher and the bevy of ministers who launched the Government's Action for Cities initia-tive yesterday were most happy to embrace the industry—school The cold shoulder was reserved

for the Inner London Education Authority which, together with the London Enterprise Agency, started a pilot Compact in the East End of the capital in Sep-The chill factor could be

observed in the careful scrutiny of photographs supplied to the Government as illustrative mateso much his own.
But Galpin's slot will have to be filled. He was in charge of banking supervision, and the Banking Act requires specifically rial for its glossy brochure. Those carrying an ILEA stamp were consigned to the reject pile.

All mod cons ■Students of the Royal College Basle Committee on international banking supervision, and Brian Quinn who heads the Bank's supervision department.

Among the innovative features in their vision are superconduc-tor power lines to replace plug sockets and a light beam chanthrough and through, and enjoys a stronger standing in the Bank than Cooke who took some of the blame for the Johnson Matthey fisses in 1984. Cooke's talents are also best deployed in Bask where his work on international bank thermonystion will be coming to have evolved into a revenue will thought that was the ultimate in have evolved into a revenue will thought that was the ultimate in have evolved into a revenue will thought that was the ultimate in have evolved into a revenue will thought that was the ultimate in have evolved into a revenue will thought that was the ultimate in have evolved into a revenue will thought that was the ultimate in have a volved into a revenue will thought that was the ultimate in have a volved into a revenue will thought that was the ultimate in have a volved into a revenue will thought that was the ultimate in have a volved into a revenue will thought that was the ultimate in have a volved into a revenue will thought that was the ultimate in have a volved into a revenue were revenue will thought that was the ultimate in have to be out of your mind to jok 40 years ahead."

A clus to house vista. Projected on a window in the castle built by the newspaper in the properties will be an the part of the house. The house vista projected on a window in the castle built by the newspaper in the project will be a complete to the part of the house vista. Projected on a window in the projected o harmonisation will be coming to have evolved into a pocket 3D consumer insmity," said Walker. fruition between now and 1992. television worn like sunglasses. One refreshing survivor of the



with earpieces to blank out the senses. Presumably it will be pos-sible to be mugged without know-

Some furniture like the teen-age son's "dancing legs" are designed to amuse. The legs are part of a female torso with rather prominent hreasts. Professor Derek Walker, head of the College's Architecture and Design of Art have designed the interior responsibility for the project, conforwhat they consider will be the house of 2020 at the Ideal Home Exhibition which opens today at twitched, a source of some anxiety since the Queen was visiting the house later in the day. He said: "There is a lot of tongue in cheek here. You would have to be out of your mind to look 40 years ahead."

1980s was the humble milk bottle which can be recycled and is which can be recycled and is therefore environmentally sound. In contrast the "reassurance cen-tre" in the bedroom where you can sit and take your pulse, heart rate and blood pressure, is far, from reassuring. The students said it would be equipped with a test for HIV positive.

Chair of Power Those who wondered why Oxford received a motorway and high-speed train well before Cambridge and suspected it was because the home of lost causes was more tightly plugged in to the establishment, may well be right. Both universities are running seminars on the concept of power and the differences are

All Souls, Oxford, has lined up All Souls, Oxford, has lined up an impressive list of speakers, including Lord Hailsham, the former Lord Chancellor, Sir Robin Butler, Secretary of the Cabinet; Lord Richardson, former Governor of the Bank of England; Field Marshal Lord Carver, former Chief of the Defence Staff; Sir Bryan Nicholson, Chairman of the Post Office; and Lord Callaghan, the former Labour Prime Minister.

laghan, the former Labour Prime Minister.

The speakers at Clare college, Cambridge, have been rather more academic, and though they are no doubt illustrious, their names do not reachly trip off the tongus. Their subjects are equally obscure. The gender and the historiographies of power in South and South-East Asia, power in the thought of Thomas Hobbes, and power in rural Wurttemberg are all guaranteed to expand the mind, to be sure, but when you need contacts in the when you need contacts in the corridors of power to lobby for a motorway, not very useful. Not surprisingly the Oxford seminar is titled "The Exercise of

Finnish joke ■Why does the cartridge belt of the Swedish army recruit have six bullet slots instead of the five

Connections .

Insert the numbers 1-9 in the grid so that the sum of all the numbers in the connecting circles only is as shown in the table.

1-14(4+7+3)

4-8 (7+1)

7-5(4+1) 5**-**21

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DC GARDNER GROUP

Barry Riley talks to Sir Nicholas Goodison about his 12 years as Stock Exchange chairman

"IT WILL BE a wrench. I've been on the Council for 20 years. But it had to be. In this particular role I have achieved everything I really meant to achieve."

Tuesday March

In some senses Sir Nicholas Goodison's natural turn as chairman of the London Stock Exchange ended with Big Bang in 1986, but at the end of the previous year he had agreed to stay in his post during the sub-sequent difficult transition period. There has since been speculation that he was ready to

leave two years after hig hang and look for a new outlet for his energies. So it has proved.

As he prepares to step down from the position to which he was first elected in 1976, it is remarkable to realise that this senior statesman of the securities markets is still only 53 years of

This leaves him with plenty of time to pursue a new career. He has chosen the TSR Group where he will become a part-time direc-tor next month and where he will take over from Sir John Read as chairman at the beginning of

For many years he has devoted three-quarters of his time to the Stock Exchange chairmanship and be will do the same at the

"I don't think I would be sat-isfied with a string of non-exec-utive posts, interesting as they are," he said yesterday, relating in his office on the 22nd floor of the Stock Evelston. the Stock Exchange. One does want a mainstream activity and my background and experience is in the financial services indus-

His chairmanship has spanned remarkable period in Stock Exchange history. I rather doubt that I would pass an exam on all the events of the past thirteen years," he said. His toughest time, he suggested, came early on, when the Stock Exchange was entering the computer age with the introduction of the Talisman settlement system.

"Maybe it was because I was new. It was the first time firms had been obliged to undertake expenditure by Stock Exchange rule. My door kept on opening and a new pressure group would come through."

There have followed much more fundamental changes: the agreement to drop fixed commissions in 1983, the merger with the international securities dealers in 1985, Big Bang in 1986, the imple-mentation of the Financial Services Act in 1988. And all the time the technological revolution has been gathering pace. The Stock Exchange is now bristling with computer systems. Two more are due for early introduc-



The thinking man's broker bows out

tion: SAEF, the small order auto-

and philistine. Champagne-swilling yuppies may be one part of the stock market scene, but the tall, languid Sir Nicbolas has brought a rare intellect and cultural background to a Stock. Exchange Council to which, it is often alleged, member firms are reluctant to second their best.

"I find the interplay between. business and politics very interesting, because I feel there are never enough people in either camp who wholly understand each other," he said.

When he became chairman he faced an unsympathetic Labour Government operating exchange controls, price controls and dividend controls. Moreover the Labour-originated action in the dend controls. Moreover the dend controls. Moreover the said. I would never have wanted labour-originated action in the said. I would never have wanted labour-originated action in the said. I would never have wanted labour-originated action in the said. I would never have wanted labour-originated action in the said. I would never have wanted labour-originated action in the said. I would never have wanted that his long reign was in fact coming to an end. But he controls are said. I would never have wanted that his long reign was in fact coming to an end. But he controls are said. actually pursued with some enthusiasm by incoming Tories like Sir John Nott, who was Trade Secretary at the time.

They perceived the Stock Exchange as a monopoly, which

fion: SAEF, the small order autoexecution facility, by the end of las yesterday. But a deal over
this year, and Taurus, a paperless settlement system, during ally done. I think things have
1989.

Sir Nicholas is far removed, the release of energy following
from the popular image of a
stockbroker as inward-looking seen.

He has found time to develop serious commitment to the arts. Besides being the author of English Barameters 1890-1860, be is chairman of the National Art Collections fund and also of the Courtauld Institute. He says that the move of the Courtauld to Somerset House will be his major external project from now on.

It has been widely expected that Sir Nicholas would want to withdraw from the Stock change once the post-Big Bang market was running smoothly and his name has been linked with several other jobs, including
- according to a rumour last
year. - the directorship of the Victoria & Albert Museum "I would never have done that," he

One job that was certainly floated before him was that of chairman of the Securities and Investments Board. But he has mured.

made no secret of his opposition to the legalistic approach of the current regulators. He is also opposed to the controversial "polarisation" principle, a view which will stand him in good stead in future with the other clearing bank chairmen who clearing bank chairmen who have also fiercely opposed the imposition of a rigid choice between independent and "tied" status when selling financial products. According to Goodison: "I would have thought that particular matter could have been dealt with by disclosure."

The appeal to him of the TSB is that it is a big listed company active across the spectrum of financial services. Curiously, however, it lacks a major stockbroking firm, having recently dis-posed of the institutional side of Wood Mackenzie to County Nat-West, Would he want to take the TSB further into the securities business? "Ask me again in a year's time," was the noncommit-

Sir Nicholas Goodison joined the family firm of H.E. Goodison in 1958, becoming a partner in 1962 and being elected to the Stock Exchange Council in 1968. in a subsequent merger the firm became Quilter Goodison, and after a brief Birtation with a Scandinavian connection the firm was bought by the French Parihas group.

In due course Sir Nicholas will have to resign as a director of Quilter Goodison because of potential conflicts of interest with his role at the TSB, but he will remain an adviser to the old family firm. He describes it as "a very amicable arrangement".

He prepares to leave the Stock Exchange confident that the new structure is now built and that it is "sturdy and competitive". But his last nine months or so promise to be as busy as ever, with major elements of the Financial Services Act coming into force and the technological programme continuing apace.

His more than 12 years at the top have not always been without rumour of challenge, but serious opponents for the chairmanship have never come forward. For some obscure reason the Sun newspaper decided to start a "Goodison must go" campaign last year and distributed badges sporting the message. Loyal Stock Exchange staff retaliated with badges saying "Stick with

fessed he did not yet have an account at the TSB. "I don't imagine I will escape," he mur-

ONE SHOULD not be too hard on last week's Nato summit. Of course, it did not resolve the argument about modernising Nato's short-range nuclear weap-ons and, of course, it had to pretend that this ergument does not exist, or is not significant. But that is in the nature of such exercises, and it might seem almost tasteless to allude to it were it not for the extreme provocation.

As it is, it is hard to decide which was most infuriating -the insouciance of President Reagan, who was not sure whether. he had read the document issued in his name, the unwarranted hectoring triumphalism of Mrs. Thatcher, or the illogicality of the West Germans, who insist that their country is singularly exposed to nuclear weapons when, to everyone else, it is obvi-ous that the only war which might conceivably be confined to Germany would be a purely con-ventional one.

But the Brussels declaration represents, in the circumstances, represents, in the circumstances, a rather creditably coherent reassertion of Nato's besic objectives and policies, at a time when the geopolitical assumptions on which it is based can be felt crumbling beneath it—as the publication next week of Paul-Kennedy's much-heralded work, The Rise and Fall of the Great, Powers (Unwin Hyman, £18.95), opportunely reminds us.

Professor Kennedy argues that the US is falling prey to the problems of "imperial overstretch". The economic base of its world hegemony has been eroded as the relative strength of its economy, compared to that of other powers, has become inadequate to sustain the worldwide burden of the political and military commitments understand at the height. ments undertaken at the height of its economic predominance. That, of course, is an important underlying source of the present tensions within Nato: the fact that the US's ability or willing-ness to carry the burden is no longer taken for granted and that American leadership is no longer

unquestioningly accepted. No less bewildering, however, are the changes going on in the Soviet bloc. Luckily for the West, the relative decline of the US does not mean, as one might expect and as many Americans unthinkingly assume, a decline relative to the other superpower. That looked possible 15 years lack of a Soviet response to the ago, when America was still degeneration of the Ceaucescu extricating itself from Vietnam, regime in Romania, which is not and Nixon and Kissinger seemed only in glaring contradiction to willing to concede formal equality to the Soviet Union as the trying to achieve domestically, price of a global detence or 10 but also is developing into an years ago, when the Soviet Union imprecedented crisis between was still expanding its influence two Soviet satellites (Romania in Africa in the wake of the Portand Hungary). In Poland, meantuguese and Ethiopian revolution while, the Jaruzelski regime has tions. But even then, those who to all intents and purposes given studied the Soviet economy were up even pretending to be Comtelling us that it was in a stafe of minist, yet without convincing acute crisis.

Now not only have their most national legitimacy or of the sect-

the state of the Same Same and the state of the same of the same



The ebbing power of Leviathan

Those consequences are visible will succeed in going himself, on every level:

At the global level there are explosion which might bring the series of concessions made by about his downfall, or force him for Gorbachev on arms control, his advocacy, of co-existence repression.

Between different social systems of the level of the Soviet between different social systems of the level of the Soviet han as a route to the eventual remarkably frank admission of and inevitable triumph of Comthe depths and systemic nature munism, his unprecedented of the crisis, the constant harping admission that he needs on the radicalism, and difficulty, there is the munism, his unprecedented of the crisis, the constant harping admission that he needs on the radicalism, and difficulty, there is the more provided that the needs of the crisis, the constant harping to the existence of the Soviet between the solution on the existence of the Soviet between the solution of the existence of the Soviet between the solution of the existence of the Soviet between the solution of the existence of the Soviet between the solution of the existence of the Soviet between the solution of the existence of the Soviet between the solution of the existence of the Soviet between the solution of the existence of the Soviet between the solution of the existence of the Soviet between the solution of the existence of the Soviet between the solution of the existence of the Soviet between the solution of the existence of the Soviet being to prevent us all from falling into prevent us all from falling into the solution of the existence of the Soviet being to prevent us all from falling into the solution of the existence of the Soviet being to other expression.

At this moment, Leviathan is both faltering and full of benign the solution of the solution of

sensational diagnoses and prog-noses been confirmed from the nomic reform. Both government lips of Mr Gorbachev himself, but and opposition seem almost para-some of the political and geopolitical consequences of Soviet bachev will allow or encourage decline have already begun to liberalisation in a satellite com-show themselves.

Those consequences are visible will succeed in going himself, and fearing to provoke a Polish

Edward Mortimer examines the symptoms of superpower decline and its implications

improved relations with the West of the economic and political

At the regional level, even more astonishing, there is the willingness to cut losses and admit defeat in Afghanistan.

At the level of the Warsaw Pact, there is the conspicuous lack of a Soviet response to the

the control of the co

in order to carry through his reforms needed to overcome it, the abandonment or demolition attempts to revive the United Nations system even at the price of embracing the peace-keeping machinery anathematised by his predecessors. opening, above all, of the Pandora's Box that is the nationali-

The crisis of Pax Sovietica is, if anything, more spectacular, and also more alarming, than the cri-sis of Pax Americana, because, unlike the US, the Soviet Union has never been in the full sense a hegemonic power, that is, one whose power and prestige are so great that its leadership and example are followed without its having to resort to physical coer-

perhaps, exercise such hegemony

ward expansion of the Soviet Union after 1939, and the extenslon of its power over eastern Europe after 1944, was almost purely a matter of military force and has never achieved any other kind of legitimacy; and even if in the area of the pre-1939 Soviet Union the ultimate authority of Moscow is still not contested, it is essentially the monopoly of coercive force in the hands of the highly centralised Communist Party that has beld local conflicts, such as that between Armenians and Azeri Turks, in

The result is that, whereas Pax Americana between, for instance, French and Germans, has been freely accepted and willed by the peoples in question and thus stands a good chance of remaining even when American hegemony is gone, the peoples of the Soviet blee have only been held. Soviet bloc have only been held together by the sheer power of a Hobbesian Leviathan and are all too liable to revert to a war of all against all as soon as that power

is felt to weaken. Of course, that is first and fore-most a problem for them, but it is also a problem for Nato, inasmuch as Nato itself is predicated on the existence of the Soviet Leviathan, its purpose being to prevent us all from falling into Leviathan's clutches.

inexorable. But few empires in history have gone quietly, and this one more than most seems likely to show its claws again, if its authority continues to be so widely and so openly challenged.

Footnote for history buffs: although Stalin is being hlamed for having detached the moun-tainous Karabagh from Armenia and attached it to Azerbaijan, the original perpetrator of this misdemeanour turns out, as so often in such cases, to have been a British officer, a certain General W. M. Thomson. As commander of the British forces which entered Baku at the end of 1918 after the Turkish surrender, he stopped the (then independent) Republic of Armenia from occupying Kara-bagh and appointed a local Azer-baijani landlord as provisional governor general, pending the outcome of the Paris peace con-

But alas, by 1920, when the peace conference produced a treaty purporting to regulate the affairs of that part of the world, its members had lost any pur The Russian Bolsheviks did, chase on events there; British troops had withdrawn and Azer over the other peoples of the haijan, including Karabagh, had Soviet. Union in its very early become a Soviet republic. See days (though physical coercion Armenia – the Survival of a also played its part), and over Nation by Christopher J. Walker China before 1960. But the west- (Croom Helm, £14.95).

From Mr Francis Butters. Six: Your news them #Bcheol and funding inadequate, say state. to underline the desperate state in which Berkshire education will find itself if Mr Nicholas Ridley's structure plan modifications for our county are approved. We recognise the need for Gov-

ernment spending restrictions, and work to them; but Berkshire is faced with the necessity to invest substantially more in education all the time. As the heartland of Britain's "Silicon Valley," we must modernise to some degree. Berkshire people are affluent and sophisti-cated and they expect much of

Letters to the Editor

No extra cash for extra pupils

of this, the county is among the who will come from the thon-foremost in achieving economies sands of extra dwellings to be in school running costs. The Education Reform Bill, is to be no extra cash for this when enacted, seems likely to from central Government.

cost us an extra 14m next year, Governing bodies and head and 17m each year after that teachers protest all the time Now, we are expected to find (with some justification) that money to teach the extra pupils

can provide for essential equip background that Mr Ridley has actually reduced the county block grant by 20 per cent - in real terms - this year.

Even a Conservative controlled county council is driven to pro-test at this unreasonableness. We hope that even as late as this the Environment Secretary wil understand the unmanageable extra hurden he is seeking to impose on the county, and least help us to fund it. Francis Butters, Chairman, Education Comm

bodies and head Royal Country of Berkshire, test all the time Shire Hall, justification) that Shinfield Park, we money than we Reading, Berkshire

Competition may not survive

From Mr lan Roberts. Sir. Congratulations are due to subsidised by cheap capital? the Secretary of State for Energy for his deft and imaginative solution to the privatisation of the ronment were then found - con electricity supply industry (ESI). sistent with the record of the Having thus far successfully past decade - to offer surplus negotiated the minefields, he capacity, would not this constishould nevertheless beware, tute an important barrier to mar-Ticking quietly away is an ESI ket entry to freeze out new com-device which may yet npset his petitors once the ESI goes plans for competition in genera-private?

The industry has successfully three fronts if competition is to planted the idea that I3GW (gigaremain the keynote of this privawatts) of new capacity needs to tisation: be built by the year 2000 (a figure of that is readily contestable). The capacity requirements ure that is readily contestable, claimed by the public ESI industry should be put out to tender raised by 15 per cent over the where private consortia can compare the contest of the capacity requirements. next two years.

However, between now and privatisation proper, private genera-tors cannot compete on equal terms with the Central Electricbuild that capacity because the and are compounded by the fact that, pre-privatisation, the CEGB can build its stations at non-commercial rates of return.

attract funds to a major power Shepshed, station building programme Loughborough, Leicestershire

cocooned from competition and

Action needs to be taken on

Each bidder, including the CEGB, should go to the capital

markets to finance the project. This would relieve the burden on ity Generating Board (CEGB) to the taxpayer and would be a true test of commercial viability.
The tariffs payable for electricprices they receive for their output are determined by the CEGB, ity should be the same for whoever wins the contract.

The time to start building the competitive framework for a private ESI is now. Competition sud-Would it be too sinister to spec- dealy introduced may not surulate that such an inflated fore- vive the electric shock. cast of capacity requirement is Ian Roberts, being used to legitimise and 4 Purbeck Avenue.

From Mr J.P. Longworth.

Sir, The Parkinson Plan is tal investment.

nothing more nor less than a risky experiment with the of dwindling generating companation's electricity future. In his nies unable to find investors in White Paper the Energy Secre-such an insecure capital inten-tary states his predictions of the sive business; and growing results of this experiment as if regional monopolies finding it

12 distribution companies will compete for the available capacin the longer term, the only

usage; hence costly to run. The Government's price regulation will allow fuel costs to be passed on to the customer but would

Supply will be less secure

they have to). The reliability and quality of the electricity, standards of safety, and investment in technological development, have served the country well. Mr erating company (new or exist-ing) to build more capacity than an ideology that has been proved it can guarantee selling. Each of to be false at least twice already (British Telecom and British

electricity supply to remain securely a national resource

J.P. Longworth,

they were facts rather than the speculation they clearly are.

Unfortunately the most likely results are the opposite of his claims. The pressure on prices the most efficient in the world.

will be upwards, supply will be The consumer's interests have less secure, and safety standards always come first (indeed, by law In the short term, the proposals introduce competition in demand rather than in supply. There is no incentive for any gen-

ity, leaving the generators to sell If people in the UK wish their to the highest bidder. way distribution companies will they need to use all the demo way instribution companies will they need to use all the demo-be able to carry out their statu-tory duty to ensure enough White Paper withdrawn or the capacity to meet peak demands will be to own their own generat-ing units – relatively cheap to build, but inefficient in fuel suaded by them.

The two unions' amalgamation discussions should not be handicapped

From Mr Gavin Laird. Sir. There are few areas in

manufacturing where the objectives of both the trade unions and employers would be better served than through the creation of a new union through the amalgamation of the Electrical, Elec-Plumbing Union (EETPU) and the Amalgamated Engineering Union (AEU).

reflect changes in the technology On the day you published this cussed important items such as if intended for unblication, of manufacturing, where the article members of our executive election of officials or the role of letters to the Editor should divide between mechanical engineers in various ven-factory branches as opposed to include. Where possible, a dayneering and electronic engineer- ues throughout Britain and geographical hranches, and a time tel

gle union. I should have thought positive way that the AEU in all that no one would create impedit respects, particularly financial. and with a stable membership, is it is for these reasons, coupled set fair for the future. In these with admiration, often publicly reports, as far as our discussions tronic, Telecommunications and expressed, for the Financial on amalgamation with the

soned the principle of election of full time officials is not the kind of reporting one has come to Gavin H. Laird, General Secretary, Amalaga

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ments to this end. Times, that I read with dismay ERTPU are concerned we stated the report by Philip Bassett (Feb. that while we have had three ruary 19), which was not only valuable meetings with the Civen the need for unions to inaccurate but also mischievous. EEFPU, so far we have not dis-

ing is disappearing, it is clearly freland, upgating our full time whole host of other important in everyone's interest to do all officials on the internal affairs of points.

they can to eliminate potential our union — and, incidentally, areas of friction by creating a sub-time to report in a very implied, that the AEU has jetting a sub-time to the other than the action of the property of the other than the action of the other than the action of the other than the o

expect from the Financial Times

Pensioners

denounce

bankrupt

Noriega

regime

By David Gardner

less, beat his cane in fury against

rateros (muggers), get out, go

ally.
The BNP, the state clearing bank, bas \$17m left, after last week's US-backed freeze of Pan-

Though it is weakened, reports of the Republican organisation's demise appear premature

Battered IRA casts its net wider

People), the Republican Newspa-per and mouthpiece of the IRA widely available in both Northern Ireland and the Republic, car ries a macabre list of dedications to those "Republican Volunteers" killed in action, write Kieran Cooke in Dublin and our Belfast

Last week the paper appeared with a black border after two of the IRA's most senior figures operating in the border regions were hlown up handling their own bomb. At the weekend three more IRA operatives, again senior members of the organisa-tion, were shot dead in the course of a terrorist mission in Gibraltar, apparently by a unit of the elite British military force, the Special Air Services (SAS).

It has certainly been a bad year for the IRA. But those forecasting its defeat are operating under dangerous illusions. As the Brit-ish military now admits, the IRA is a sophisticated, highly trained organisation: both the former commander of British forces in Northern Ireland, Sir James Glover, and the Northern Ireland Secretary, Mr Tom King, have admitted in recent days that the IRA cannot be defeated mili-

"The campaign will last as long as the Provisional IRA has the stamina and the political motivation, and so long as there is a divided island of Ireland," said-

The IRA is clearly no longer recarded, as it once was, as a group of amateur, foolbardy fanatics. Recent events have, however, weakened the IRA's military structure. Last March eight IRA members were killed, again by units of the SAS, while attacking a remote police station in Loughall, Northern Ireland.

Last November, 11 civilians were killed in the memorial day IRA bombing at Enniskillen: the IRA later admitted to a "tragic paganda setback.

The IRA operates as a tightly knit, cellular organisation, depen-dent oo a hard core of perhaps only 50 highly trained individuals



senior IRA figures, well known to the security forces. This could indicate a dearth of sufficiently trained new recruits.

more than a total of 400 mem-bers. Analysts point ont that also in continental Europe. Ten those killed recently have been years ago it bombed eight British years ago it bombed eight British army bases in West Germany in one night. In 1979, it assassinated the British amahassador in tha Netherlands. Since then there But while the IRA is down, it is have been a number of other IRA by no means out. Over the years attacks in Belgium and West Gerlit has widened its operations, not many.

Last October, two IRA men were blown up in Londonderry while Search for fourth suspect continues

rorist, following the shooting contain a bomb.

incident on Sunday in which three IRA bombers were killed. Sir Geoffrey Howe, the British Foreign Secretary, told the House of Commons yesterday there had been no explosives in and set them ablaze. Page 2

Security forces in Gibraltar were still searching last night for a not of Gibraltar's residence and car bomb and a fourth IRA terrorist, following the shooting contain a bomb.

Intelligence services in Britain and Europe are convinced that the IRA now has well lubricated channels of contact with other underground organisations, such as the Basque separatist organisation, ETA, and the French Action Direct group. Analysts feel that preparations for a bomb attack in Gibraltar, the furthest south IRA activities have so far south IRA activities have so far been detected, would not have been possible without ETA sup-

The IRA also has clearly formed a close liason with the Libyan regime of Colonel Muammer Gadafff, which has made no secret of its support for what it calls the just cause of the Irish struggle. While recent seizures of arms en route from Libya to Northern Ireland have been a setback for the IRA, a massive armoury of weapons — "Enough to start a small war" according to the Irish police — are now known to have arrived in Ireland. These are believed to include missiles capable of bringing down army The IRA also has clearly capable of bringing down army

morning, the first in a queue of payroll obligations the bankrupt military-dominated regime will not be able to meet this week. The anthorities in the Irish The anthorities in the Irish Republic are as worried as those in Northern Ireland about the amount of arms — believed to amount to at least 150 tons — in the possession of the IRA. Mr Gerry Collins, the Irish Minister for Justice, has spoken of the frightening prospect of 1,000 rifles being paraded down O'Connell Street in central Dublin.

The Government in the Republic also feels that recent actions tre, closed since last week because there is no cash, liter

The Government in the Republic also feels that recent actions by the British authorities, including the failure to prosecute officers of the Royal Ulster Constabulary alleged to have heen involved in a "shoot to kill" policy in Northern Ireland, have involved in a "shoot to kill" policy in Northern Ireland, have played into the hands of the IRA and hardened attitudes among the nationalist community in the North.

Last weekend, as IRA bombers were launching their mission in Gibraltar, two of their comrades in arms were being buried in the border country of Northern day afternoon planned a trade

Last weekend, as IRA bombers were launching their mission in Gibraltar, two of their comrades-in-arms were being buried in the border country of Northern Ireland. A funeral oration spoke of the need to continue "the war" against the British presence in the North as a dedication to those IRA members who have died. No one, especially the secu-rity forces, expects the IRA to fade away.

day afternoon planned a trade union rally in delence of national sovereignty, a frall and grey lady sat on a National Guard jeep, banging its bonnet, insulting a sheep-faced police captain and Nearby, Carlos Lince, aged 70 a retired guardsman, said: "Noriega and his mafia have "Noriega and his mafia have done all this; everybody says that, but we say it in the Guard, too. These thieves have stolen the country, while we can't cash a cheque anywhere."

Since Panama's crisis took a new turn 10 days ago, following General Noriega's palace coup against figurehead President Eric Delyalle, neither the resime nor Rank buys US theme park group

Deivalle, neither the regime nor the opposition has tested its strength on the streets. The political stand-off got quickly sub-sumed into the twin fiscal and

bank crises.

A US Federal judge-yesterday extended a temporary restraining order that enjoins Bankers Trust and Marine Midland Bank from making pay-ments against any account of the Rapublic of Panama unless approved by Mr Juan Sosa, the legal representative in the US of the Republic of Panama, AP-DJ reports from New York

Pirelli bids \$1.9bn for **Firestone**

Continued from Page 1 from Pirelli suggesting that the two companies open talks on the sale of the US company's tyre interests.

Yestarday's bld confirms The field is about 10 miles from the glant Forties field operated by BP, creating the possibility of pumping oil from the field through existing pipeline facilities.

After a test of a second well at the site next week, Enterprise turer.

A Firestone-Pirelli merger

would create a tyre company with annual sales of more than \$5bn, patting it in the third global slot behind Goodyear of the US and Michelin of France. Pirelli has no tyre manufactur-ing presence in the US and a \$2.4bn of its \$5.5bn 1987 turnover. Pirelli said its offer would be open until April 1 and that it was conditional, among other things, on winning control of two-thirds

of Firestone shares.

The other conditions are that any "poison pills" Firestone may takeovers be removed, and that said US peace proposals for the the agreement with B region presented last week by Mr is not made definitive. the agreement with Bridgestone Pirelli said it had organised

"amply sufficent" lines of credit with the help of Swiss Bank Cor-poration and Credit Suisse. No ncrease in Pirelli's own capital would be needed.

THE LEX COLUMN

Overstepping the mark

Sterling's surge through DM3 yesterday morning had a dramatic feel to it, but by the end of the day the markets were in some perplexity over what it actually meant. This will have been wholly intentional; official policy has shifted, but the speculators have to guess where to. Assuming, though, that the Chancellor bas not abandoned exchange rate targeting entirely, sterling will not have been uncapped, but re-capped. The previous range of DM2.96 to DM3. having proved awkwardly narrow, it would not be surprising to see a wider band emerging of perhaps DM3 to DM3.10.

The alternative possibility, the day the markets were in

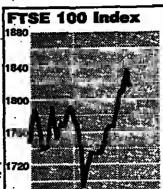
haps DM3 to DM3.10.

The alternative possibility, which the markets yesterday were not quite prepared to dismiss, is that sterling is headed for DM3.20 and upwards. This would have real implications for equities through its effect on forecast earnings; but official pol-icy apert, it is not immediately obvious why the currencyshould forge ahead in response to current account problems and a weak oil price. Yesterday's fall in the equity market probably owed little to such fundamental wor-ries, and much to the continued tendency of fund managers to react to any loud noise by diving into their burrows and waiting

for the all clear.

There was a similar lack of purpose yesterday to the gilt market, with no real fol-low-through to an initial onelow-through to an initial one-point rise. But on balance, the market seems disposed to the longer view. The shift in official tactics seems again to rule out an early cut in base rates, but the pay-off comes in the Chancellor's evident inhention to stick to his anti-inflationary guns. Again, the reduced commitment to interven-tion means less chance of stock being issued by way of sterilisa-tion. As for equities, if the FT-SE100 succeeds in forming a new base above 1800 even the technihase above 1800 even the techni-cal analysts will be happy, for what that is worth.

It is hard not to see the Goodison to the chairmanship of TSB as yet another missed oppor-tunity. There is plenty of scope, to say the least, for someone to take on the hig four clearers on a wida domestic front. TSB's negative virtues — no exposure to Third World debt, no real involvement in the dodgy areas of investment banking — should make it the ideal candidate. What it surely needs, though, is some



one experienced in the mass-mar-keting of financial products – in the mould of Sir Mark Weinberg, say – who can take hold of ths opportunities offered by TSB's immense and faithful customer base. In Sir Nicholas it is getting a skilled City diplomat, but one whose hands on experience is confined to running a smallish and modestly successful firm of stockbrokers.

There is little comfort in the reflection that the group will be no worse off than it is at present. no worse off than it is at present. The challenge remains one of providing leadership at the top and making good the dearth of management below. TSB shares have done nothing since collapsing in the crash, and have the melancholy distinction of being the second worst performer in the sector over the past year the sector over the past year after Standard Chartered, Yesterday's news is unlikely to transform that.

Enterprise Oil

Enterprise Oil's discovery of the Nelson field is a fine demonthe Nelson field is a fine demonstration of the worth of the vulnerable oil independents. The company did exactly what independents have so frequently falled to do in spotting an opportunity that the majors had overtunity that the majors had overtunity that the majors had overtunity that the majors of swaps it obtained 100 per cant of Nelson from under the noses of Chevron, Conoco and Britoil, and found exactly oil to add almost 30 per enough oil to add almost 30 per cent to its total oil reserves.

Enterprise's attempt to make the market respond sensibly to discovery through an early, announcement is also a wel-

the word of share tipsters and semi-informed onlookers.

semi-informed onlookers.

Moreover, despite Enterprise's disclosure of the physical amount of oil and the costs of developing the field, there is still plenty of room for disagreement on what the find is actually worth which depends on the oil price in five years' time. With back-of-the-envelope estimates ranging from 350 to 1000 a share, the market's 35p to 100p a share, the market's asp to 100p a share, the marker's extra 10p on the share price was probably about right - especially on a day in which everything else was going the other way. Perhaps the stability of the oil independents despite a failing dollar, a weakening market and a sub-\$14 oil price shows that for the first time in ages the market has been reminded that these companies have exploration acreage, and bave axploration acreage, and that the North Sea is a loog way from having exhausted its oppor-

Rank Organisation

A caravan beliday in the Yogi Bear Jellystone Park in the US might not be British investors' idea of a good time, but they were broadminded enough yeswere hroadminded enough yes-terday to applaud Rank Organisa-tion for its acquisition of Ahnert Enterprises. The company has long wanted to reduce its depen-dence on the UK leisure market, and through Ahnert it will be able to apply its experience of caravan parks in the UK, where 90 per cent of the population is never likely to visit one, to the US, where the market consists of 60m middle aged travellers and is

After having negotiated the purchase for 18 months and walked away four times, Rank has secured what seems a good price. The deal will increase its earnings by about 2p or so persecutive years with promise of share this year with promise of more later, if it can employ its capital to advantage in a business that has been sort of cash.
The deal also provides a clue to Rank's corporate plans, which until now have been higger on disposals than acquisitions. Although Ahnert leaves Rank with a spare £700m under its capacious borrowing facilities, follow with a series of small secrecy of the oil industry. However, to hope for a perfect market in the shares would be asking the The City should probably rate this careful company more highly; yesterday's deal ques-tioned the sense of its 15 per cent discount to the market.

about haif of this land — selling and second-home interests in plots of land and building town South Carolina, and claims to be houses, second homes and timeshare units. It still has 950 acres on the largest operator of caravan park resorts in Europe. RANK Organisation, the UK lei-sure and entertainments group

with domestic interests ranging from Butlins holiday resorts to Odeon cinemas. yesterday announced the \$180m acquisition of Ahnert Enterprises, a private-ly-owned American leisure company based in Bushkill, Pennsyl-

Abnert, founded by two brothers who are now in their 70s, owns 14 private caravan resorts on the US East Coast through its Outdoor World subsidiary. It also owns the franchises of the Yogi Bear Jellystone Park and Safari World resorts. Some 81 Independently-owned public caravan resorts operate under the former franchise and



the Pocono Mountains, a popular weekend retreat within 90 miles of New York City. Over the past 13 years. Ahnert has developed

ably more popular in the US than
in the UK and ownership of
resorts is fragmented.

The purchase price - finalised
after almost two years of negotia-

remaining for development and also has options on a further 1.100 acres in the area.

Yesterday, Mr Michael Gifford, Rank's chief executive, said that Ahnert fitted the UK company's plans for further investment in the US, and offered substantial opportunities for growth.

Caravan bolidays are considerably more popular in the US than

Ahnert, which has 90 per cent then — comprises a Stone cash of its sites between Maine and payment and the assumption by Florida on the Eastern seaboard, Rank of approximately \$128m of ranks second in both the public debt, which it intends to refinand private resort markets. Rank ance. Assets being acquired stood already has botel, holiday resort at \$154m at end-April 1967.

Enterprise Oil makes large N Sea find

A BIG GAMBLE by Enterprise move is practically unheard of Oil paid off yesterday in one of for an exploration and production the largest oil finds by a UK indecompany.

ery is large by recent standards, though it is dwarfed by the 1bn barrel finds of a decade and more

semi-submersible drilling rig. Enterprise's offices, early yesterday morning suc-

early December lifted its interest ing months.

Enterprise's projected oil production to more than 100,000 barrels per cent to 100 per cent. Such a 100m barrels of the reservoir are 'a day by the middle of the next

WORLD WEATHER

Eoterprise said it found an estimated 150m to 175m barrels of oil about 120 miles off the coast of Aberdeen, Scotland, in block 22/11 of the North Sea. The discovery is a key role to play in developing thouseh it is a product.

a key role to play in developing the nation's oil reserves."

The discovery has been named the Nelson field after Admiral Horetto Nelson, who was killed After several days of battling at the battle of Trafalgar in 1805 high winds and heavy seas, the crew of the Dundee Kingsnorth, a Square, London, stands beneath

semi-submersible ciriling rig.

searly yesterday morning succeeded in stabilising a flow of high quality crude oil from an exploration well at 6,500 barrels a day.

The find is a big boost to Enterprise, now the largest UK independent oil company, which in early December lifted its interest in the exploration block from 30

Enterprise 5 uniters are surveys of the area indicate an oil reservoir about five miles long and two to three located in its licence block and it is proceeding with plans to develop the field.

This will be the first time that Enterprise will have operated a producing field and increases fing months.

Enterprise's projected oil production to more than 100,000 barrels



Development costs are esti-mated at between £300m (\$525.7m) and £350m, or roughly The field is about 10 miles from

the site next week, Enterprise plans to drill two appraisal wells in the southern part of the structure by this summer.

Oil analysts said that prelimi-nary estimates of the reservoir size could be subject to signifi-cant revision.

Development submissions to the Department of Energy are planned for next year, with production expected by the end of 1992. Enterprise shares, which countries. Tyres accounted for rose strongly last week on rumours of a big oil find, yesterday gained 10p to close at 325p.

Six die in Israeli siege

Continued from Page 1

had been five attempts by the George Shultz, the US Secretary PLO to enter largel from abroad of State, could lead to an invitation to the PLO to take part in an international peace conference.

But until yesterday none had inflicted civilian casualties. A Mr Shamir is strongly opposed Roderick Oram in New York month ago two Israeli soldiers to the proposals. Successive adds: On Wall Street Firestone's

died in a clash with gunmen who Israell governments have ada- share price jumped \$11% to \$61%. managed to cross the border from southern Lebsnon.

The first one's southern Lebsnon.

The first one's southern Lebsnon.

The first one's southern Lebsnon. southern Lebanon. tact with a body always branded.
Separately yesterday Mr Yitteneduivocally as a terrorist zhak Shamir, the Prime Minister, organisation.

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WOLSELEY "

SECTION II - COMPANIES AND MARKETS

FINANCIALTIMES

Tuesday March 8 1988



Warner to seek bid talks with Lorimar-Telepictures

BY JAMES BUCHAN IN NEW YORK

WARNER Communications, the US entertainment and communias the front-runner in Holly-wood's jostling for control of Lorimar Telepictures, the film studio which has been troubled by erratic financial management and unsuccessful diversification.

Lorimar which is best known. Lorimar, which is best known for making successful television series such as Dallas, said yesterday that it had been approached by Warner "to explore the desirability of a business combina-

mar's stock up \$1% to \$14% in early trading as Wall Street braced itself for the sale of the company to Warner. At \$144

However, they say Warner.

which is strong in full-length
films but weak in first-run TV.

Excurators into filmmaking have
so far been flops.

said: "This deal could make Warner a powerbonse in TV, international programming, in first run and syndication." Mr t Dennis McAlpine, an analyst at Coppenheimer, said: "If I were Lorimar, Td do the deal with Warner, because there is more international programming, and Lorimar reported a loss in its most recent reported a loss in its most recent of \$19.2m on revenues of \$255.Im, claiming there were irregularities at its home video business.

Analysts believe that other room for Lorimar people there."

Hollywood studios – such as ColUnder Mr Merv Adelson, Lori-

Mr Adelson said last year that
Ms Mara Balsbaugh, an analyst he was pulling back from busiat Smith Barney in New York,
said: "This deal could make and Lorimar has since sold three
Warner a powerbonse in "To"

Gambro earnings surge by 67%

profits, after financial items, to SKr222.5m (\$37.1m) last year, reaping the benefits of its earlier

under bankruptcy laws in 1983. It \$22 yesterday.

Gambro said that sales of prod-

IU INTERNATIONAL, the US trucking, food services and waste management company, bas accepted a \$22½ a share or \$670m offer from Neoax, a company about one-tenth its size which has been cfalling it for the past

two months.

Neoax is a successor company to White Motor, a heavy truck offer, IU's shares were trading at maker which was reorganised.

100 April Meteration and the past is a successor company to White Motor, a heavy truck offer, IU's shares were trading at maker which was reorganised.

100 April Meteration and the securities & the two sides began negoti- papers filed with the Securities & Exchange Commission that it would sell IU's trucking and food distribution units but retain its maker which was reorganised.

GAMBRO, the Swedish manufacturer of kidney dialysis and treatment, for SKr1.2bm. The SKr285m. Operations in Spain intensive care equipment, board proposes raising the division and Italy showed strong profits reported a 67 per cent increase in dend from SKr0.8 to SKr1.2. ket position, while developments in the US were unfavourable.

SKr222.5m (\$37.1m) last year, reaping the benefits of its earlier restructuring measures.

Group sales rose by 64 per cent to SKr2.64bn, helped by the acquisition last September of the Hospal Group, the Swiss-French manufacturer of artificial memorated memorated in an account for about 90 per cent of the total sales, rose by 12 per cent to SKr2.35bn, taking comparable.

The Hospal Group showed strong earnings last year, the group said. The acquisition was intended to help form the world's largest manufacturer of dialysis products. The Hospal Group showed strong earnings last year, the group said. The acquisition was intended to help form the world's

management division.

IU accepts \$670m Neoax offer

their operations might give
Whirlpool more negotiating
clout with Sears — by far the
largest US stores group.
In its fiscal year ended July
31, Roper earned net profits of
\$24m on sales of \$703m. GE

dwarfs its target with net profits from appliances of \$490m on turnover of \$4.72bn last

General Electric in counter-bid for Roper

By Roderick Oram In New York

GENERAL ELECTRIC, the major US industrial products group, yesterday launched a \$428m, or \$45-a-share, counter-bid for Roper, a kitchen and garden equipment maker which agreed recently to a takeover offer from Whirlpool,

It is GR's first-ever unsoli-cited takeover offer but it

cited takeover offer but it reflected the specific situation rather than a change of strategy, the company said.

Roper's shares leapt \$10½ to \$45½, far surpassing Whiripool's \$37½ a share, or \$352.5m, initial offer. The Georgia-based manufacturer of kitchen stoves, lawn mowers and garden tractors had accepted it last week after Goldman, Sachs, its investment banker, had judged it fair to shareholders.

Roper said it had no immediate comment on GE's offer but

would study it. In light of the Whirlpool agreement, GE said it was going directly to Roper's shareholders with a tender offer which began yesterday and erains on April 1 and expires on April 1.

GE had approached Roper with a view to a takeover last year but was rebuffed. GE's main interest was Roper's gas kitchen ranges which it and other sub-contractors make under the GE name plate.

Whirlpool's interest in Roper appeared to stem from the manufacture by both of them of equipment for Sears, Roeback under the retailer's Kenmore brand name. Merging

sortium, led by Compagnie Financière de Suez of Paris and Groupe AG, Belgium's leading insurance company, which claims to speak for 52 per cent of the capital.

Yesterday's statement from Cerus breaks down its 47.01 per cent "holding" and shows that

De Benedetti names backers in bid for Belgium's most powerful company

Nestlé and Philips in SGB line-up

the biggest chunk (15.9 per cent) is owned by a company called Europe 1992.

called Europe 1992.

This is a new holding company (country of establishment not yet known) which was set up by Mr De Benedetti last week when Mr André Leysen, the Flemish businessman who had earlier appeared to be friendly to the SGB board, dra-matically defected to the Ital-ian's side bringing with him the 2 per cent stake in SGB held by Gevaert, the financial

holding company.

Europe 1982 — a name consciously designed to conjure up an image of the barrier-free European market which is planned for that date and which has as its only assets the SGB shares – is owned by Cerus, Gevaert, another Bel-gian financial holding company



Carlo De Benedetti: "Camp followers" revealed

Cobepa, the Geneva based bank CBI, and Shearson Leb-

The plan is now that Philips and Nestlé, which have both accepted the idea in principle, should join this group of Europe 1992 shareholders. The proposed Philips stake

was not spelt out, but Nestlê

intends to take 4 per cent of the Europe 1992 capital. Carus, meanwhile, stressed that its participation would remain at

50.01 per cent. Although it was not con firmed yesterday. Philips and Nestle are also thought to be among those direct La Génér-ale shareholders in the De Benedetti camp listed as "others" - accounting for 2.92 per cent of the total.

The balance consists of CBI with 11.72 per cent, FAI with 3.24 per cent, the Geneva-based Banque Financière de la Cité with 3.24 per cent, and Odyssey Partners, a New York financial group with 0.97 per cent.

Cerus said its claim to con-trol 47.01 per cent assumed all outstanding warrants would be

In a separate development yesterday Mr Renaud de la Genière, president of Suez, confirmed the confidence expressed on Sunday by Mr Maurice Lippens of Groupe AG that the Franco-Belgian camp had a controlling stake. The aim now was "to get things back on the road" and "assure

KHD sees DM285m loss as group turnover plunges

BY DAVID GOODHART IN BONN

MR CARLO DE BENEDETTI,

the Italian industrialist who is striving to win control of Société Générale de Belgique, Belgium's most powerful com-pany, said yesterday that his much touted "camp followers" include Philips, the Dutch elec-tricals group, and Nestlé, the Swiss food multinational.

The disclosure of these and

The disclosure of these and other corporate names such as

Sbearson Lehman, the US

investment bank, and FAI insurances, the Australian

insurance concern, had been requested by the Belgian Bank-ing Commission as a condition for extending Mr De Benedet-ti's bid for SGB until March 18.

Even so, it was seen in Brus-sels as strengthening Mr De

Benedetti's hand in the now deadlocked seven-wesk take-over battle for the country's beleaguered business institu-

Until yesterday Cerus, Mr De Benedetti's Paris-based holding company spearheading the bid, had refused to reveal the iden-tity of its supporters which it

says form part of its 47 to 48 per cent stake in SGB.

This group is now opposed

engine and agricultural machinery group, which announced 6,000 redundancies at the end of US at a time of stagnating last year, has revealed it will probably make a loss of DM285m (\$167m) for 1987, it had already deincreased sourcing of work outside Germany, a restructuring of group finances and rapid modernisation and redundancy package, which will extend over at least. The expected loss of DM285m down from DM4.85m to DM4.45m.

which will extend over at least two years. The result for 1988 is expected to be a considerable improvement on 1987, but the group does not expect to be back in profit until 1989.

KLOECKNER-Humboldt-Deutz, the troubled West German diesel its difficulties to the falling dol-engine and agricultural machin-lar, but analysts also point to

The expected loss of DM285m compares with consolidated group earnings in 1986 of DM28.9m, down from DM57.4m in 1985. However, the 1986 result

Royal Trust deposit flows helped by October crash

BY ANDREW BAXTER IN LONDON

DEPOSIT FLOWS into Royal of its own funds, and although it Trust, one of Canada's two larg. does not claim to have anticiest trust companies, bave pated the extent of the downturn, increased significantly since the had been advising clients whose October stock market crash, Mr funds it manages to move into Michael Cornelissen, president more conservative investments and chief executive, said in Longuet and chief executive, said in Longuet and chief executive, said in Longuet and chief executive.

and chief executive, said in London yesterday.

This phenomenon, analogous to the increased takings by British building societies (which provide the bulk of loans for home purchase), was "clearly a flight to quality," and was also experienced by other Canadian trust companies and their banking rivals.

Royal Trust had been effected minimally by the crash in terms after three flat months. covered a DM163m operating loss. minimally by the crash in terms after three flat months.

March 2, 1988

This announcement appears as a matter of record only.

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United Technologies Corporation

has sold the European Operations of its wholly owned subsidiary

Essex Group, Inc.

to

Von Roll AG

The undersigned initiated this transaction, acted as financial advisor to United Technologies Corporation and assisted in the negotiations.

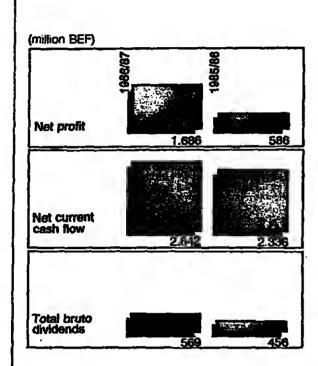
Salomon Brothers AG

enhüttenstraße 10, 6000 Frankfurt am Main 1, West German ornon Brothers Inc., One New York Plaza, New York, NY 10004 Chicago, Dallas, Los Angeles, San Francisco, Zurich. Affiliates: London, Tokyo.



Raffinerie **Tirlemontoise**

results 1986/87



Our company has undergone profound change during the year.

Following the division of RT Holding and Raffinerie Tirlemontoise, the latter was successfully floated on the Brussels Stock Exchange in May.

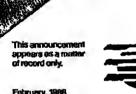
We have consolidated our position in a stagnant European market, partly by launching a low a caloric cube sugar: Ti-Light. We were also able to export for a satisfactory return, our sugar outside the EEC in spite of the current difficult conditions prevailing in the international market place,

Turning to 1987/88, we are optimistic that the results will continue to be encouraging for the following reasons:

- Sales will be stable.
- Savings from a reduction in production and general expenses will more than compensate for increased charges from the EEC.
- 3. The conclusion of negotiations on potential acquisitions in the near future, will boost our diversification effort in the food

RAFFINERIE TIRLEMONTOISE THE FUTURE IS IN OUR HANDS

For a copy of our annual report please write to: 182 avenue de Tervuren - 1150 Brussels



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INTL. COMPANIES AND FINANCE

Sime Darby interim profits up 73%

Apart from the insurance division, which was affected by the stock market crash last October, stock market crash last October, all sectors reported much improved results, reflecting the general recovery in the Malay-sian economy. The group's operations in Hong Kong, Singa-pore and the Philippines also recorded strong earnings growth. Sime's non-Malaysian operations contributed 35 ner cent to group contributed 35 per cent to group

dend was raised to 6 cents from 4 after tax profit of 8.2m ringgit

Profit after tax and minorities

Consolidated Plantations achieved an 80 per cent jump in pre-tax profits to 48m ringgit on the strength of higher commodity prices, particularly for palm oil. Turnover rose 23 per cent to murnover of 109m ringgit. Its 280m ringgit. Profit after tax and minorities was almost doubled to 2 cents. 23.2m ringgit. The interim divi-

United Estates Projects had compared with a previous loss of Tractors Malaysia had pre-tax 5.2m ringgit. The improvement the stock market crash, have profits of 15.7m ringgit, an was due to sharply reduced intering increase of 43 per cent. The group est charges arising from repaybenefited from demand for heavy ment of loans. Despite the cents, up from 5 cents.

SIME DARBY, the diversified market. Sime is raising its equipment from the buoyant time depressed property market. UEP Malaysian group, lifted pre-tax interim dividend to 4 cemts a ber industry in east Malaysia achieved satisfactory sales due to profits by 73 per cent to 183.6m interim dividend to 4 cemts a ber industry in east Malaysia achieved satisfactory sales due to Turnover was 47 per cent higher the strategic location of its first half to December, on turnover up 31 per cent to 1.5 lbn ringgit.

Sime is raising its equipment from the buoyant time depressed property market. UEP turnover was 47 per cent higher the strategic location of its at 130m ringgit, while net profit subang Jaya development outlisted subsidiaries showed that:

The results of the group's at 130m ringgit, while net profit side Kuala Lumpur. Ne interim dividend is dividend is dividend is declared.

Danlop Malaysian Industries recorded after-tax profits of HK\$58m (US\$7.4m), an increase of 20 per cent on turnover up 65 per cent to HK\$1bn. The com-pany, which distributes BMW and Mitsubishi cars, said margins were squeezed by the higher yen and D-Mark.

Sales, which fell sharply after the stock market crash, have

Acquisition limits first-half rise at Boral

THE A\$420m (US\$305m) acquisition of Blue Circle Southern Cement and mixed markets for finley, Boral's chairman, said the like output held Boral, Australia's Hise circle acquisition was positive for the company in the half to company preferred to company preferr

profits for the half year to December.

Amid big increases in interest and associated costs.

Amid big increases in interest and associated costs.

The group's interest bill nearly doubled from A\$17.5m to A\$33.8m in the period while depreciation in the period while depreciation. The largest included a quarry near Los A\$3.2m the blue they are encouraged by a gathering boom in domestic housing approvals. The housing adaptive properties and concrete roof tile plants in California and Arizona.

Despite a usual seasonal dip in second-half earnings, the result was after tax of the company's particular properties. The directors is possible that the properties of the company is possible that the properties of the company is spots in operations for the cur-rent half, including road surfac-

Herscu in bid for Hooker minority

By Our Sydney Staff

ME GEORGE HERSCU, the flamboyant Australian property developer, is bidding for full control of Hooker, the property and retailing empire he controls as chief executive.

Mr Hericu announced yesterday that his family com-pany, GSE, would offer A\$2.50 a share for the 48.5 per cent of Hooker it did not already con-trol. GSH will make the same offer for the 14.7m partly-paid shares Hooker has in issue, bringing the total value of the to about A\$217m (US\$157.6m).

The move had been expected by the market for some weeks, and Mr Hersch pointed out yesterday that the offer level was more than 30 per cent above the company's A\$1.75 price "before speculation about a bid pushed up tho

But yesterday, Hooker shares jumped 9 cents to A\$2.35 in Sydney on heavy impover of 2.3m units, suggesting that Mr Hersen may face blocking tactics in his attempt to take Hooker private.

The hid, which has a 90 per cent acceptance condition, could be vulnerable to another party taking a strategic stake of just over 5 per cent in an attempt to extract a higher

Advance by Daikin **Industries**

By Our Financial Staff

DAIRIN INDUSTRIES, the leading Japanese maker of air conditioners, lifted group net profits by nearly a fifth to Y6.22bm (348.3m) in the year to last November, compared with Y5.31bm, as sales grew 5.9 per cent to Y262.5bm. In the year which runs from

next month to March 1989, Daikin expects consolidated net profits to rise to Y7bm on sales of Y278bn. The company is changing the start of its financial year, leaving the cur-rent four-month transition period in which it forecasts net profits of Y1bn on sales of

profits of Yibn on sales of Y84bn.

Daikin exports a relatively small proportion of its output and has benefited from strong construction activity at home.

On a pre-tax basis, profits were up 23.9 per cent in the latest year to Y14.49tm and are forecast to reach Y2.50m in the contrast from worth and current four months and Y15.5bm for the year which fol-

Static earnings for Sino Land

SINO LAND, the Hong Kong shares in the Hong Kong share property development company controlled by the family of Mr per cent of operating profits in 1986-87 from such investment. There was no hint in yesterday's the six months to December, against HK\$17m for the previous first half, on turnover almost doubled to HK\$648m.

The picture is different on Mr Ng has a reputation as one of the most aggressive built manket buyers of property in the territory. The company also dealt in liabilities are said to have passed the latter than the second to have passed the latter than the recently agreed with the Futures Exchange Guarantee Corportion to repay about HK\$750m over eight years.

These liabilities have had no direct impact on the performance of Sino Land.

Sino Bealty, the holding combany controlled by the Ngs that has a 54 per cent stake in Sino Land, reported after tax profits for the half year of HK\$729m, against HK\$194m, on turnover up from HK\$472m to HK\$1.92bn.

Haeco lifts dividend to 48 cents

BY OUR HONG KONG CORRESPONDENT

HONG KONG Aircraft Engineer: with 29 cents in 1986, lifting the ing Company (Haeco), the aircraft servicing concern controlled by the Swire Group, boosted attributable profits for 1987 by 20 per cent to HK\$175m (US\$224m) on a turnover up 10 per cent to HK\$175m (US\$224m) on a turnover up 10 per cent to HK\$1.01m. The final dividend is perts for the second half are less 184 cents per share, compared certain.

This announcement appears as a matter of record only.

Noel Limited

U.S.\$50,000,000

Secured Floating Rate Notes due 1993

Norinchukin International Limited

Nomura International Limited

 $M_{\mathbf{O}}$

Worth Dr

March 1988

U.S. \$150,000,000



Undated Floating Rate Primary Capital Notes

In accordance with the provisions of the Notes, notice is hereby given that for the three month interest Period from March 8, 1988 to June 8, 1988 the Notes will carry an interest Rate of 7% per annum. The inte payable on the relevant interest payment date, June 8,1988 will be U.S. \$178.89 per U.S. \$10,000 principal amount.

By: The Chase Manhattae Bank, N.A. Landon, Agest Bank

March 8, 1987



The Hongkong and Shanghai Banking Corporation
(Incorporated in Hong Kong with limited liability) U.S.\$400,000,000

PREMARY CAPITAL UNDATED FLOATING RATE NOTES



Notice is hereby given that the Flate of Interest has been fixed at 7% and that the interest payable on the relevant interest Payment Date June 8, 1988 in respect of \$5,000 nominal of the Notes will be \$89,44 and in respect of \$100,000 nominal of the Notes will be \$1,788,89.

Atench 8, 1988, London
By: Chibank, N.A. (CSSI Dept.), Agent Bank

CITIBANCO

Boral

nts

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INTL. COMPANIES AND FINANCE

Pirelli throws a counter punch

FOR AN Italian company, the Pirelli group is unusually sparing in its public comment. So one can only imagine the reaction in its Milan headquarters three weeks ago when Firestone Tire & Rub-ber of the US announced if had

ago when Firestone Tire & Rubber of the US amounced if had agreed in principle to sell 75 per cent of its tyre business to Bridgestone of Japan for \$1bn.

At the very least, alarm and despondency must have prevailed. The Japanese were making off with a prize for which Pirelli had declared itself a suitor only a few days earlier.

Whether or not Pirelli's proposal to Firestone for the two to negotiate the sale of the US company's tyre business was a factor in speeding up the Bridgestone of the US care tyre dated accounts and its shareholding structure is fragmented.

The Milan-based Pirelli and Company owns about 18 per cent of two different holding groups—one Halian and the other Swiss—which in turn control worldwide operations.

The company publishes "aggrecent of the US care tyre replacement market companed in shareholding structure is fragmented.

The Milan-based Pirelli and Company owns about 18 per cent of two different holding groups—one Halian and the other Swiss—which in turn control worldwide operations.

The company publishes "aggrecent of the US care tyre of the US care tyre of the Milan-based Pirelli and Company owns about 18 per cent to 5 per cent share, but this is operations.

The company publishes "aggrecent of the US care tyre of the US care tyre of the US care tyre of the Milan-based Pirelli and Company owns about 18 per cent to 5 per cent share, but this is of the US company owns about 18 per cent to 5 per cent share, but this is of the US company owns about 18 per cent of two different holding groups—one Halian and the other Swiss—one stall less than Bridgestone's 22 per cent and Goodyear's 22 per cent to \$141m on sales of the US care tyre of the US care tyr

posal to Firestone for the two to negotiate the sale of the US com-pany's tyre business was a factor in speeding up the Bridgestone agreement is open to conjecture. More certain is the fact that the proposed Firestone-Bridges-tone deal was a double blow for the Italian tyre and cable ments. tone deal was a double blow for the Italian tyre and cable manu-facturer, run by the elegant, pub-licity shy Mr Leopoldo Pirelli, 62. It took out of play the one lead-ing American acquisition which was both financially affordable and practically suitable for Pirelli.

By the same token it transformed Bridgestone from a largely Japanese manufacturer into a potentially important rival in European and American mar-

With Sumitomo in control of Dunlop, the possible arrival of a second Japanese manufacturer Pirelli but at other European tyre

in the 1990s.

With its 130 factories in 16 recent years has been higher value-added products based on the highly international company, second generation of its "ultra-low generation of its "ultra-low profile" high performance either build or acquire US assets units pioneered in the early during a decade of crucial restructuring in international tyre manufacturing.

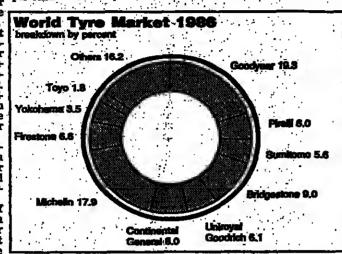
manufacturing.
Since the \$12bn-a-year US market takes about one third of the Golf GTi and the Ford Escort world's annual car and truck tyre XR3i. production, this is the glaring for rebuilding strategy.

Low-profile radial tyres for truck markets are also being pro-

nological innovation and successmated plants. Pirelli's constant
ful new products, the Italian company has been enjoying steadily
increasing profits since it ended a

als last month to reduce its italit has always been a technologiit has always been a tech

John Wyles and Paul Betts on the European bid for Firestone



Little wonder, therefore, that Pirelli felt bound yesterday to launch an audacious \$1.93bn takeover bid for all of Firestone. The bid is the largest attempted foreign acquisition by an Italian company.

While substantially outstripping the cost of Mr Carlo De Benedetti's bid for control of Societé Générale de Belgique, the Pirelli move reflects a similar concern to be a key global player in the 1990s.

A successful takeover of Fire stone Fire in European market share for replacement car tyres from 10 to 16 per cent, second only to Michelin's 30 per cent came from tyres. Pirelli says that it has "irrevocable" lines of credit with which to finance the Firestone acquisition. Its advance agreements with Michelin should enable it to recoup up to \$500m of the purchase price.

The open question at the moment is whether it faces a bidding battle with Bridgestone, the

Sales appear to have enjoyed the fruits of the boom in demand for cars such as Volkswagen's

ful rebuilding strategy.

Thanks to plant closures, techduced out of increasingly auto-

sales reached \$5.5hn, of which 44 per cent came from tyres.

Piralli says that it has "irrevocable" lines of credit with which to finance the Firestone acquisition. Its advance agreements with Michelin should enable it to recoup up to \$500m of the purchase price.

The open question at the moment is whether it faces a bidding battle with Bridgestone, the Firestone board or both. Although some New York analysts think that Bridgestone was paying over the odds for just 75 per cent of the Firestone tyre business, one senior executive at another European tyre company claimed yesterday it would be a cheap deal for the Japanese. In which case, a net purchase price for Firelli of \$1.1bn to \$1.2bn for all of Firestone's tyre business would seem to be equally advantageous.

equally advantageous. The Michelin tyre company has

posed to team up with Firestone Michelin could not remain indif ance seriously threatened to change the current balance of

pany.
But when Bridgestone pro-

power in the world tyre market with Bridgestone commanding the lead in Japan, Michelin num-ber one in Europe, and Goodyear at the helm in North America. So it was not difficult for the French group to back the efforts rench group to back the efforts of Pirelli to try to defeat the Japanese move. But with its traditional low profile, Michelin made it clear yesterday that it was not playing a leading role in the Pirelli counter bid for Firestone. However, the purchase of Firestone assets from Pirelli, if completed, would represent the bignest acquisition ever undertaken gest acquisition ever undertaken by the French tyre group, which has always opted for internally

generated growth.

It would also help Michelin's efforts to increase its penetration of the US tyre market and enhance its ambitious efforts to increase its presence in Brazil.

In North America, in one of the boldest foreign investment pro-grammes undertaken by a French company, Michelin has spent about \$1bn since the mid-1970s to build a network of nine tyre plants. At the same time, the company set up a marketing net-work of about 8,000 independent

But with Kirestone's "Master Care" business it would acquire a specialised network of a further 1,500 dealers, boosting the French group's overall penetration of the

In Brazil, Michelin has already invested heavily in the truck tyre business, with two plants and plans to double production.

Since Pirelli already has a sig-nificant position in Brazil, the Italian company would have had difficulties in absorbing the Firestone operations there. However, these operations would short-cut Michelin's efforts to increase its presence on the market.

After a string of heavy losses and major restructuring, Mich-elin has returned to profit. It broke even in 1985 and reported net earnings of FFr1.9bn (\$333.3m) on sales of FFr46bn in

be sharply higher than the previ-ous year. With its financial confi-dence restored, Michelin now appears to be keen to embark on an aggressive expansion pro-

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financial

HOLMEN, THE Swedish pulp and pager group which is Europe's leading newsprint producer, reported a 66 per cent surge in stems mainly from strong Mr Gunnar Engman, who such the increase in the

US\$400,000,000 Undated Primary Capital

Floating Rate Notes

In accordance with the provisions of the Notes,

notice is hereby given that for the Interest Determin-

ation period from 8th March, 1988 to 8th April,

1988 the Notes will carry interest at the rate of

Interest accrued to 8th April, 1988 and payable on 6th July 1988 will amount to US\$60.28 per

US\$10,000 Note and US\$602.78 per US\$100,000

Standard Chartered Merchant Bank Limited

Agent Bank

1987 profits before extraordinary items, to SKr600m (\$100m) from Holmen believes that SKr362m, Sara Webb writes from for 1988 remain good.

Group sales increased by 20 per cent to SKr7.66bn. The board pro-

7 per cent per annum.

demand for newsprint last year. ceeds Mr Christer Zetterberg as Holmen believes that prospects managing director this month, said the market for newsprint was extremely strong last year, largely because of high advertise-ment expenditure. Production at the newsprint

sales came from the acquisition last year of the consumer products division from MoDo, another Swedish forestry group which is the dominant shareholder in Hol-

Standard & Chartered Standard Chartered PLC

BANK JULIUS Baer, the Swiss and precious metals trading bank, is lifting its dividend from increased by 23 per cent to 18 per cent to 19.5 per cent for SFr52m and net interest earnings

The bank also plans what it
described yesterday as an
"attractive rights issue." Details
will be announced at the annual

"attractive rights issue." Details
will be announced at the annual

The bank's balance sheet total

would reinforce the compar

Bank Julius Baer pays more and plans rights BY JOHN WICKS IN ZURICH

meeting in June.

Income from foreign exchange market positions.

In the meantime, the bank's was no 12 per cent to about capital is to be raised by a nominal SFr10m to SFr125m.

Baer said that in spite of the which rose to SFr43bn.

Stock market crash and the dolomarket crash and the d

1987 following a 13 per cent by 21 per cent to SF126m. Income improvement to SF139.2m from securities held dropped 5 (\$28.2m) in net profit.

lar's decline, 1987 was a good machinery maker, plans to year. Not commission income acquire two textile machinery rose by 17 per cent to SFr149m, of companies and form a new textile which 85 per cent originated from division. Saurer said the merger

TIBRA BANK PRE

EXTRACTS FROM AUDITED ACCOUNTS Year ended 31st December 1985 1987 5000 £.000 2000 CAPITAL AND RESERVES 133,671 107.584 140.616 SUBORDINATED LOANS 137.653 126,879 100,901 CASH AT BANKS, MONEY AT CALL AND SHORT NOTICE, CO'S 326,339 293,160 220,326 US/UK GOVERNMENT SECURITIES 134,886 154,711 129,265 1,434,232 1,412,146 1,227,322 1,967,308 1,965,088 1,672,877 43,048 43,904 16,735

HIGHLIGHTS FROM FINANCIAL STATEMENTS

 Since year-end the shareholders have provided US\$ 450 million in the form of a perpetual subordinated facility to enable Libra to increase its loan loss protection

 Reduction in profit reflects interruption of interest payments from some countries

 Investment banking fees exceeded Libra's total operating expenses Capital funds 14.4% of total assets

Shareholders The Chase Manhattan Bank, N.A. The Royal Bank of Canada National Wastminster Bank PLC The Mitsubishi Benk Limited lautsche Landesbank Girozentrale Swiss Bank Corporation Bancomer S.N.C. Credito Italiano S.p.A. Banco Espírito Santo e Comercial de Lisboa Banco Itaú S.A. Copies of the 1967 Report and Accounts are available from the Company Sec Libra Bank PLC, Bastion House, 140 London Walt, London EC2Y 5DN.

MoDo Mo och Domsiö AB

£50,000,000

Revolving Acceptance Facility by Tender

en PLC Union Bank of Fini S.G. Warburg & Co. Ltd.

MoDo Mo och Domsiö AB

£62,500,000

Revolving Credit Facility

S.G. Warburg & Co. Ltd.

The Royal Bank of Canada

NOTICE OF MEETING TIME ASSURANCE SOCIETY Registered Office: 86 Union Street, Oldham, Gree To receive any apologies for absence. To reed the Notice of Meeting. To reed the Notice of Meeting. To select a new Chairman, and a Director of the Trustee. To select a new Chairman, and a Director of the Trustee. To select a new Chairman, and a Director of the Trustee. To receive and adopt the Report of the Committee of Management, and the Accounts for the year ended 318 December. To receive and adopt the Report and recommendations contained in the Actuariat Valuation of Funds es at 31st Dependence. To receive and adopt the Report and recommendations contained in the Actuariat Valuation of Funds es at 31st Dependence. Member(s) to the Committee or activations of Management to be some point Audhors and authorise the Committee of Management to be some point Audhors and authorise the Committee of Management to be some citizens. It incomparately not the Principly Societies' Protection Scheme. dix - Add new Table WP (Walver of Premium) and new Table DAB (Double Accident Benefit) and Add new Table CLS (with Profits Whote of Life) and consequent amendment to Rule 9(f) and consequent amendment to Rule 9(f) and consequent amendment to Rule 9(f). D. R. REES

U.S. \$275,000,000 of which U.S. \$200,000,000 is being Issued as the Initial Tranche The Bank of New York Company, Inc. Floating Rate Subordinated Capital Notes due 1997

Notice is hereby given that the Rate of Interest has been fixed at 6-8/25% p.a. and that the Interest payable on the relevant Interest Payment Date, June 8, 1988 against Coupon No. 10 in respect of U.S.\$ 10,000 nominal of the Notes will be U.S.\$ 174-10.

March 8, 1988, London
Bur Cidbank, N.A. (CSSI Dept.), Reference Agent CITIBANCO

IVORY AND SIME (GUERNSEY) LIMITED ATLAS FUND Global Capital Portfolio United States Portfolio United Kingdom Portfolio... Continental Europe Portfoli Japan Portfolio Pacific Portfolio £1 Gold Portfolio. UK Growth of Incom Sterling Gilt Portfolio. Dollar Bond Portfolio. Global Bond Portfolio. Yen Portfolio hmark Portfolio.

GPA seeks increase in financing

aircraft leasing company based at stake than they originally bar-Shannon in the Irish Republic, gained for. has surprised creditor banks with a request to increase the amount the underwriting banks, GPA of a financing raised last year.

The company, formerly known as Guinness Peat Aviation, raised \$1.500 of finance in a deal signed last September for the purchase of 70 Boeing 737s. At a meeting on Friday, the 11 banks which underwrote that transaction were asked to agree to a number of significant changes, including an increase in its size to \$2bn.

The GPA deal was one of the most difficult syndicated financings of 1987 and the 11 banks

GPA GROUP, the international were all left with a far bigger

As an apparent sweetener to promised a secondary syndication of the financing this year, to allow them to reduce the amount of their undesired exposure.

The banks met on Friday when Citicorp, the bank leading the transaction, proposed a number of changes to the deal.

of the financing,

●A change in the security of the deal be secured by a fixed

There is said to be strong interest from other banks in under-

• Adjustments to the amortisa-tion schedule, which will reduce intended to buy a further 22 of the average life of the financing the 150-seat 737 aircraft, estibut leave a larger "balloon" pay mated to be worth more than ment at the end;

Bankers said the original finanthe finance. Originally secured cing combined aggressive pricing the finance charge over all the and an innovative structure, by a floating charge over all the and an innovative structure, sircraft, it is now suggested that backers. "The whole structure was just too ambitious for this particular borrower," one said

It is thought that Citicorp, These are understood to writing the extra \$500m portion which had no comment yesterand the agreement of the existing day, is hoping that the reductions

• A \$500m increase in the size lenders is likely to be based on now proposed in the deal's comthe extent to which this draws in plexity, and the higher margin, will bring in more banks to the

Lloyds sets up private bank in Geneva

Lloyds' decision to establish

LLOYDS BANK, the smallest of \$5bn to \$12.8bn since it took over the big four British clearers, has set up an international private Lloyds' decision to establish covering the year to November 6, preneur does not want to take covering the year to November 6, preneur does not want to take ranked four of Lloyds six funds the same risk with the income he first in their respective catego- draws from the business and

set up an international private banking group based in Geneva. At the end of last year the group, known as LIPB, had £4.5bn (\$3bn) of clients' assets under management worldwide. It is now organised for growth, particularly in the American zone, according to Mr James Galbraith, who heads the group.

After American Express Bank of New York, which has been using Trade Development Bank (TDB), its Geneva subsidiary, to spearhead its thrust into private banking, Lloyds is the second foreign-owned bank to establish its international centre for private banking and because of the success of Lloyds' existing operation worldwide have climbed from

1105 II 1803.

Lloyds' decision to establish to establish to geneva. LIPB was taken in February last year to November 6, ranked four of Lloyds' six funds their respective categories.

Previously Lloyds had been criticised for its conservative and previously but its early switch from equities to cash and becoming one of the leading proviously switch from equities to cash and become say justified in the post-october crash performance rankings. Clemts have placed some things. Clemts have placed some stimes.

Switzerland had been chosen as its beadquarters, because it was recognised as the foremost international centre for private banking and because of the success of Lloyds' existing operation assets under its management assets under its management worldwide have climbed from the business and craws from the business and raws from the business and respective categories.

Previously Lloyds had been criticised for its conservative in their respective categories.

Previously Lloyds had been criticised for its conservative stail.

The British bank aims at becoming one of the leading proving the leading proving the leading proving the private banking services on a global basis, Mr Galbraith said.

Switzerland had been chosen as its beadquarters, because it was recognised as the foremost banking relationship on the leading proving the proving the leading proving the leading proving the le

Besley to chair Commonwealth Banking

BY BRUCE JACQUES IN SYDNEY

MR PAUL KEATING, Australia's Treasurer, has caused surprise by chairman of the federal govern-ment owned Common wealth

Banking Corporation.

Mr Besley is chairman and chief executive of Monier Redland, the large building materials group. He has pipped more favoured candidates — including Sir Peter Abeles, chief executive of TNT, the transport group, and sir Gordon Jackson, former gen-eral manager of CSR, the resources and building products company – for what is probably the most commercially powerful government appointment

Mr Besley, aged 60, is a former public servant, who took up the top job at Monier in 1982 following a stint as head of the federal Department of Business and Consumer Affairs. He is also a director of Amcor, the big Melbourne-based industrial group, and a member of the influential Business Council of Australia, where his most visible contribution has been as a spokesman for business on changes in corporate law.

The appointment may well signal that Mr Besley wants to ease his way out of the chair at Monier Redland. This would be logical since the company has now been split following a bitter take
The appointment may well signal that Mr Besley wants to ease his way out of the chair at Monier Redland. This would be logical since the company has now been split following a bitter take
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The appointment of the chair at Monier Redland. This would be logical since the company has now been split following a bitter take
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The appointment of the chair at Monier Redland. This would be logical since the company has now been split following a bitter take-

All of these securities having been sold, this announcement appears as a motter of record only.



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Yamatane Securities (Europe) Ltd.

March, 1988

Meissner leaves Dresdner Bank

By Halg Simonian in Frankfurt

MR MICHAEL MEISSNER, whose appointment last year as head of international invest-ment banking at Dresdner Bank caused some surprise among West German bankers, has left the bank unexpect-

Mr Meissner, who took up his position only last April, was one of three executives was due of three executives just below board level in charge of investment banking. He was specifically responsible for developing Dresduer Bank's international invest-

ment banking activities.

He is leaving "by mutual agreement" on account of "differing opinions over business policy," according to the bank, where he will remain officially employed until the end of this mentile.

Leading German banks do not normally recruit externally for such senior positions, though staff have occasionally been poached from domestic rivals, and Mr Moissner's appointment was seen as an attempt by Dresdner Bank to shake up its investment bank-ing activities.

Choosing Mr Meissner, an experienced though abrasive banker who has had a somewhat chequered career, caused some surprise in Frankfurt. After abruptly leaving First Chicago'e London-based mer-chant bank, where he was joint managing director, in 1984, he went on to hold less prominent positions at two

other London banks. While its original choice of an outsider was unusual, Dresdner Bank's decision to part company with Mr Melssper so soon verges on the astonishing. German banks are not known for rapid hizing and firing and Dresdner is even more benign than most in this respect, according to Frankfurt bankers.

Frankfurt bankers.

It remains to be seen whether its willingness to recruit externally — viewed favourably in principle by many — will now be diminished. Mr Meisner has yet to be formally replaced, but he is likely to be succeeded by Mr Fritz Hlementz, an experienced Dresdner Bank employee.

London and Manchester raises £150m

LONDON AND Manchester, the quoted financial services group, has raised £150m to mance further mortgage lend ing in the UK in an unusual leveraged deal supported by Dresduer Bank. L&M is one of a group of

lenders in recent years whose chesp, wholesale-funded mort-gages have provided severe competition for building soci-

Dresdner has provided 412 per cent of the new money, per cent of the new money, raised through a specially created subsidiary of L&M, in the form of subordinated debt. This leaves L&M to put up '2 per cent, or 2750,000, in the form of equity capital.

A syndicate of 12 banks, including Union Bank of Switzerland and Midland, will lend the new company the remaining £142m at 40 banks points over London interbank offered rates.

rates. The subordinated debt cie-The subordinated debt element of the package leaves L&M with a highly geared interest in its new subsidiary, said Mr Tom Pyne, finance director. Freedom from the capital restraints: imposed on banks and building societies enables L&M to adopt this capital structure, he said.

Nevertheless, L&M claims that its capital more than covers the risks of domestic mortgage lending, since bad debts are said to be running at well under 0.1 per cent.

L&M, a relatively small lender with a mortgage book of £375m, sells its mortgages through a direct sales force of

through a direct sales force of 1,000 and a network of 38 estate agency branches.

Euroyen paper issues delayed PERMISSION for Japanese res-

PERMISSION for Japanese residents to issue Euroyen commercial paper, which had been widely expected to be granted next month, is now likely to be delayed until the legal status of CP is clarified, Reuter of CP is clarified, Retter reports from Tokyo.

Ministry of Finance officials said that Euroyen CP could be legally classified with corporate honds, commercial bills, and other securities, though negotiations between the Tax Authority and the MoF on the ssue were still continuing.
If Euroyen CP issues are classed as securities, banks will not be allowed to deal in them under Article 65 of the Securities and Exchange Law, which strictly separates the business of securities houses

Eurosterling in demand but no further issues

BY ALEXANDER NICOLL, EUROMARKETS EDITOR

had a quiet day yesterday with a no movement either way.

very small number of new issues The only dollar-denomination of the control of the trading becalmed, though stering bond dealing was active.

The pound's spurt above DM3 rate note issued in the name of and optimism about the Budget a week from today pushed cle, by Sanwa International. It gilt-edged securities up 1 point. Eurosterling honds also saw good demand, including retail buying from the Continent, for both sea-soned and recent issues. Price

gains of \$\frac{1}{2}\$ to \$\frac{1}{2}\$ points, however, larged those of the government market.

conomy and interest rates.

Though it recovered its poise after Friday's sudden decline in New York on higher than expected employment figures, the dol-

INTERNATIONAL hand markets iar sector then showed virtually The only dollar-denominated emerging and most secondary issue to emerge was a repackag-

> INTERNATIONAL **BONDS**

has a margin of 23 basis points No issuer was emboldened to above Libor and a price of 100.1. ap the market, however, and In West Germany, France's tap the market, however, and there were no straight issuers in Compagnie Financière de Crédit the dollar market, which returned to a narrow trading DM300m 10-year issue priced at band dictated by uncertainty 100% with a 6% per cent coupon about the direction of the US led by Morgan Stanley. Though it was thought a table priced it did 1005, with a 64, per cent coupon led by Morgan Stanley. Though it was thought fairly priced it did not see huge demand and was quoted just within its 212 per

point in early trading in respons to Friday's losses in New York, and proceeded to trade listlessly with little demand and small vol

rict

in Switzerland, Polly Peck International, the UK-based trading company, made a five-year issue of at least SFr50m, priced at par with a 5% per cent coupon by

SG Warburg Soditic. Swiss franc bonds traded qui-etly and showed little price movement. The SFr150m 5% per cent issue by Bond Finance ended its first day's trading at 99% com-pared with a par issue price. Sweden's SFr200m 5 per cent issue moved to 10012, half a point below issue price, and American Medical International's SF1100m 5 per cent issue opened at 98½ but moved up to 99, still two points below issue price.

• Abbey National Building Society is to have a \$750m US commercial paper programme with Coldman Seebs and Sheer. cent fees.

D-Mark bonds fell up to 12 som Lehman Brothers as dealers.

Dutch to restrict bid defences

BY LAURA RAUN IN AMSTERDAM

defences will be gradually dis-mantied to prepare for the 1992 completion of a single European market in goods and services, under the proposals recently unveiled by the Amsterdam Stock Exchange, Hostile takeovers are virtually unknown in the Netherlands and

share prices are low in relation to earnings - thanks to anti-take-over weapons that are among the over weepons that are among the most restrictive in the world. However, the exchange has become increasingly worried that the result may be to impede efficient capital formation, coddle management, limit shareholders' rights and depress price-earnings ratios.

Baron Bouwdewijn van Itter-sum, chairman of the exchange, believes that the Netherlands' financial markets must offer capi-tal seekers and providers yields that are at least as attractive as those elsewhere.

ously protective anti-takeover ing a bourse listing for the first ther with the aim of recommending mantled to prepare for the 1992 first phase of ticket with the studied further with the aim of recommending mantled to prepare for the 1992 first phase of ticket with the studied further with the aim of recommending mantled to prepare for the 1992 first phase of ticket with the studied further with the aim of recommending mantled to prepare for the 1992 first phase of ticket with the studied further with the studied f first phase of tighter rules, while those already listed will have until January 1, 1991, to fall into restrict protective defences to

The bourse also hopes to insti-tute by July 1 a reporting requirement obligeing companies to make a public aunouncement when a stake of 10 to 20 per cent in another concern has been acquired. This is in anticipation of a similar directive by the European Community.

Under the first phase of curbs, preferred shares will be limited to 50 per cent of total capital out-

standing unless shareholder approval is explicitly obtained. Layers of protective defences — which can amount to "multiple locks on the doors" — will be limited to only one in addition to preferred shares. Share certificates that are not convertible into voting shares will be banned. Other anti-take-

Baron van Ittersum wants to

those that give companies under attack time to weigh carefully the interests of all concerned, that are well publicised, and that are approved by shareholders.
Under a second phase of self-regulation, to be implemented in consultation with the business community, the stock exchange hopes to see such temporary weapons as "poison pill" and
"crown jewel" disposals banned
during a public bid. Control of
preferred shares, priority shares
and share certificates should be distanced from management, the

bourse believes.

Still to be evaluated are limits on shareholders' voting rights and holding constructions used to safeguard equity. Philips, the big Dutch electronics group, has implemented both.

1987

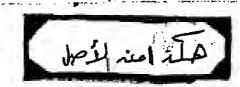
P YER LAT ...

FT INTERNATIONAL BOND SERVICE

Listed are the latest luternational boads for which there is an Closing prices on Marck 7
Change on
Change on US BOLLAN YER STRAIGHTS

Average price change.	. On day -03, 99 -04, -03, 0.82
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STRAIGHTS	Enumed Bird Offer day work Yield
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Central OK, Turtory 7 92	200 1034 1044 -04 -05 5.99
Degassa Int. 64 97	200 795 1004 -03 -05 6.12
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E.J.0 697	300 1004 1015 -04 +04 5.85
E.I.O. 612 96	300 101 1021, -01, +01, 5.83
E.I.B. 64 97	400 1011015 01 +01 5.92
E.I.8.64.95	300 1061 1071 -01 -01 5.74
Euro, Coald, Steel 5% 97	175 992 1003 -02 -03 5.91 100 1023 1034 0 -01 5.92
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Elec De France 54, 97	300 994 994 -04 0 5.83
Formark Krtg. 5 & 93	200 10012 10073 +034 +034 4 90 200 9812 9914 -034 -034 6.18
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Video and hi-fi shortfall

restrict BSR growth

The state of the s

RVICE

ing profits of \$2.4m or \$2.5m, but the division made only \$900,000.

The video and hi-fi subsidiary, dbx, will probably be sold within the next few weeks.

BSR also plans a \$40m or \$50m November flotation for Swan Housewares, which makes household electrical products. The integration of Swan and Girmi, the litalian housewares company purchased last October, should be complete by November and BSR per cent stake in the combined company.

Operating profits of \$2.4m or \$2.5m, but the divisions tax losses in Europe looks set for a strong future to helped keep the tax charge down the area its directors know best. The board is siming for a \$6.40 to 4.3 per cent (10 per cent) and the area its directors know best. The board is siming for a \$6.40 to 10 per cent (10 per cent) and the area its directors know best. The board is siming for a \$6.40 to 10 per cent (10 per cent) and the area its directors know best. The board is siming for a \$6.40 per cent and its final divisions and, with order books dend of \$2.35p making a total of 3p filling fast, foresees increased (2.7p) for the year.

BSR recorded extraordinary gains of \$4.6m, principally from the disposal of its remaining 40 shares disposal of its remaining 40 shares disposal of its remaining 40 shares disposal of the area its directors know best. The board is siming for a \$6.40 per cent \$1.5 per cent stake in final divisions and, with order books filling fast, foresees increased and \$2.5p making a total of 3p divisions and, with order books filling fast, foresees increased and \$2.5p making a total of 3p divisions and outsiance and communications divisions and communications are recommending a final divisions and outsiance and the area its directors the area its directors the area its directors and communications divisions and outsiance and communications divisions and outsiance and the area its directors area of \$1.00 per cent (10 per cent) and the area its directors the area its directors the area its directors the area its directors and communications divisions and ou

Consumer switch boosts Greggs BY PHILIP COGGAN

according to Greggs, the Newcas-tle-based bakery retailer. Greggs has benefited from the

shift in consumer taste away from supermarket sliced white bread and towards freshly-baked products. The company was able to announce a 27 per cent £4.27m (£3.25m) for the year to

Turnover was up 11 per cent to £63.1m (£56.8m) but investment in more efficent plant helped reduce unit costs. Thirteen new shops were opened in 1987 and six were closed or sold; 19 were refitted to the company's new

Mr Mike Darrington, managing director, said sales in existing

ing profits of £2.4m or £2.5m, but . Tax holidays in the Far East and cellular telephones. BSR

midst of a comprehensive reorganisation and refurbishment programme. It is expected to

on the balance sheet and said it will be able to fund this year's

Mild winters and cold summers this year.

make a further loss this year. Greggs had around £4m in cash

comment

THE BRITISH public is combining its taste for healthier breads such as wholemeal and crusty white with an increased appetite for cream buns and confectionery according to Greggs, the Newcastle-based bakery retailer.

Should the unthinkable happen in 1968 - and the sun start to shine - Greggs short term growth might be limited. But the midst of a comprehensive reor. long term prospects for the group are good. If the fashion for healthier food continues, fresh baked bread seles will continue to rise; if the British return to loving carbohydrates, Greggs can concentrate on its sticky buns will be able to fund this year's capital expenditure of around 25m from cash flow.

After tax of £1.58m (£1.31m), earnings per share were 33 per cent higher at 24.8p (18.7p). The board is recommending a final dividend of 5p (3.7p) making a cover the company's expansion programme. The shares are solid, rather than exciting investments. rather than exciting investments on a prospective p/e of 13.5, assuming pre-tax profits of £5m



1987 AUDITED RESULTS BSR INTERNATIONAL PLC AND SUBSIDIARY COMPANIES

HIGHLIGHTS FROM THE AUDITED FINANCIAL STATEMENTS:

	£ million	E million
Turnover	209.5	348.5
Operating profit Net interest payable	17:1 (1.2)	15.2 (4.5)
Profit after interest Share of profit in related companies	15.9 0.5	10.7 1.2
Profit before taxation Taxation	16.4 (0.7)	11.9 (1.2)
Earnings Extraordinary items	15.7 4.6	10.7 (0.2)
Profit attributable to ordinary shareholdars Dividends paid and proposed	20.3 (5.1)	10.5 (4.5)
Retained profit	15.2	6.0
Earnings per 10p share Dividends paid and proposed	9.42p	6.44p
per 10p share	3.00p	2.70p

HIGHLIGHTS FROM THE CHAIRMAN'S STATEMENT:

1987 was a very successful year for your Company in that it further consolideted its position as one of the world's leaders in that sector of the electronics field in which it specializes. Although the market price of our shares has been savagely cut back as a result of the world-wide stock market crash last October, your Company has been unaffected by these events and indeed, is now well positioned to enable the Group to take advantage of some of the many opportunities for expansion which have since presented themselves.

> W.R.A. WYLLIE CHAIRMAN

BSR INTERNATIONAL PLC

Head Office: 2/F Karser Estate, Phase II, 51 Man Yue Street West Midfands DY8 4PG, England.

MS Int directors lift stake to 5.6%

BSR International, the Hong (£7.8m) and the communications at the forthcoming annual meet-king-based electronics group listed in London, announced pretax profits for 1987 up 38 per cent tion systems and light emitting at £16.4m, against £11.9m in 1986.

Disposals in the next year will take BSR out of the mass consumer market, allowing tha group to concentrate on its core businesses, electronics — mainly power conversion equipment — and communications.

Mr Brian Christopher, chairman elect and chief executive, said that yesterday's figures, said that yesterday's figures, were held back by a poor performance from the group's sound and vision sector.

The board had expected trading the forthcoming annual meet the forthcomin By Clay Harris

THREE directors of MS Inter-national have raised their stakes in the mechanical and engineering group which is fighting a £24m takeover hid from Dobson Park Industries, the mining equipment and industrial electronics com-

pany.

The purchase of 160,000 shares on Friday at an average price of 123p raises MS directors' aggregate beneficial interest to 3.4 per cent. They also have non-beneficial interests totalling 2.2 per cent.

Although MS shares yesterday fell 6p to 120p, the market price is still considerably above the 91p value of Dobson

above the 91p value of Dobson Park's shares and cash offer. The bidder's shares lost 1p to 102p. Dobson Park has until Friday to increase its offer.

United Scientific

United Scientific Holdings, the defence equipment group, said yesterday that it might launch a taksover bid for Varo, a Dallas-based night vision equip-ment manufacturer.

ment manufacturer.
USH said it approached the
Varo board with an offer of
\$17.50 per share to February
but was rebuffed. It now says
that it may launch a tender
offer if it cannot reach a
merger agreement. The British
company already owns Optic
Electronic - a Dallas-based
company with similar interests
to Varo - and it hopes to combine the two groups.

bine the two groups.

USH has built up a 6.5 per cent stake in Varo over the last three months at prices of between \$10.50-\$12.50 per share. A full bid at \$17.50 per share would value Varo at

Doubled Persimmon profit beats forecasts

12 months, at an average selling price of £42,992 (£38,198), and increased turnover to £73.7m

developer. Walter Lawrence is to

in the long term, rather than buying it at inflated prices. Persimmon now has 11 compa-nies, having recently opened new businesses in the Thames Valley

هلد امنه لأص

Walter Lawrence buys

Walter Lawrence, housing West Venture's after-tax profits development and construction for three years prior to the buy-company, has paid \$4.7m (£2.61m) out.

to acquire a 51 per cent stake in West Venture Developments, a sprofits share of not less than southern Californian housing \$5m for 1988. In 1987, West Venture Developments as profits share of not less than southern Californian housing \$5m for 1988. In 1987, West Venture Developments as profits share of not less than southern Californian housing \$5m for 1988. In 1987, West Venture Developments as profits share of not less than southern Californian housing \$5m for 1988. In 1987, West Venture's after-tax profits development and construction for three years prior to the buy-

chase the remaining 49 per cent 1967 were \$2.5m.
at some period between two and . West Venture operates mainly seven years from now. The price in the Antelope Valley and Great

for the outstanding 49 per cent San Bernadino areas of southern will be six times the average of California.

		ture	msde	pre-t	ax	pro	fits	ı
	pur-	\$3.2m.	Net	225et3				
г	cent	1987 w	rere \$	2.5m.				

		*******	-01102			
	Current payment	Date of payment	Corres - ponding div	Total for year	Total last year	
BSR for Greggs fin Heywood Williams fin High Point Servs int Low & Bonsr fin Palma Group fin	5 6† 2 4.15	June 3 May 27 Apr 11 May 9 July 1	2.1 3.7 5 1.75 3.6 1.68	3 7.5 9.5 6 3	2.7 5.7 7.75 4.5 5.35 2.5	
Parker Knollint Persimmon	1.5 3 2.17	Apr 22	1.05t 1.2	2.25 4 2.9	18 1.58 3.7	

DIVIDENDS ANNOUNCED

Dividends shown pence per share net except where otherwise stated

(246.4m).

The group has already made 1,200 forward sales for 1988, and expects to top 2,000 by the end of the year.

Mr Duncan Davidson, chairman, said the growth in average house prices was likely to con
mies, having recently opened new businesses in the Thames Valley every established operating company producing record profits. The group's managers — mostly profit forecasts to about £17m, or £18m before tax, which puts the manage — seem ideally placed to the shares — up 7p to close at 159p house prices was likely to con
mies, having recently opened new businesses in the Thames Valley every established operating company producing record profits. The group's managers — mostly profit forecasts to about £17m, or £18m before tax, which puts the manage — seem ideally placed to shares — up 7p to close at 159p house prices was likely to con-

Persimmon, housebuilder, time at about 15 per cent, with more than doubled pre-tax profits to £12.6m for the year to end-December, and increased gross profit margins to 17.1 per cent (13.1 per cent), well ahead of most expectations.

The York-based group completed the sale of 1,714 houses in 1987, against 1,215 in the previous 12 months, at an average selling in the long term, rather than operating businesses really can cover most of those areas of those areas of the fastest own to be in."

East Anglia one of the fastest cover most of those areas of the fastest own to be in."

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East Anglia one of the fastest cover most of those areas of the proving areas.

East Anglia one of the fastest cover most of those areas of the proving areas.

East Anglia one of the fastest want to be in."

East Anglia one of the sale of £1m, valuing the cover most of those areas of find the land which can be developed on the land which can be developed on the land which can be about 130 (7p) and the directors are recommending a final divious to 130 (7p) and the directors are reco Persimmon's figuras beat almost all City expectations, with every established operating company producing record profits.

THE U.K TEXTILE INDUSTRY

The Financial Times proposes to publish this survey on:

Wednesday 27th April 1988

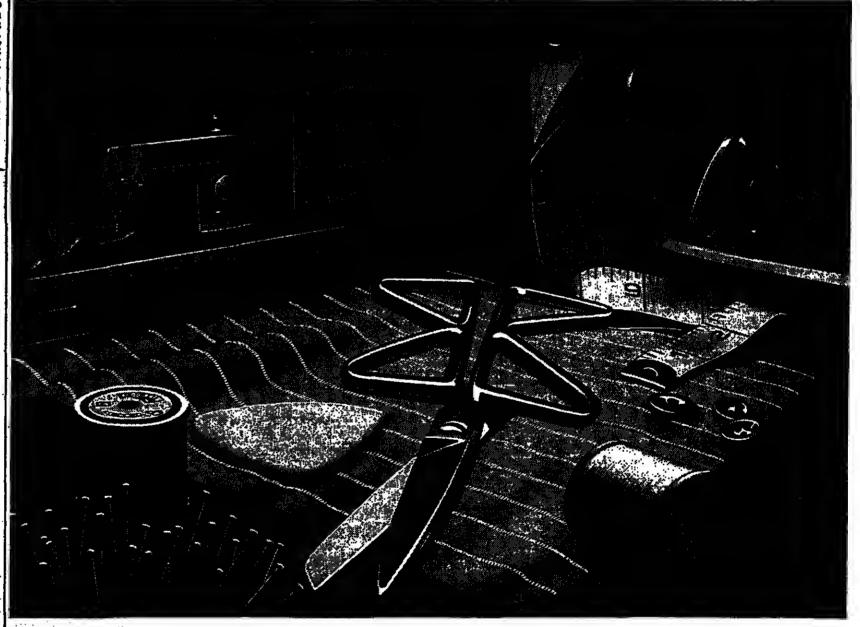
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FINANCIAL TIMES



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Coloroll in for surprise — Norcros

and packaging group, threatened yesterday to bid for Coloroll if the home furnishings company tried to use its 2 per cent stake to launch a hostile takeover bid for

towards us in terms of a bid, we to discuss its intentions. How-could give them a hig surprise." ever, it is believed to be less Norcros warned.

Revealing his company's 2 per cent stake, twice the level disclosed last week in response to a refer formal inquiry from Norcros, Mr John Ashcroft, Coloroll chairman, said yesterday: "We have the shares. They are standing at a good price, and we are reviewing our options."

Norcros, however, indicated it had held any shares. BTR said it had held any shares.

Norcros, however, indicated it would swiftly turn the tables if did not would swiftly turn the tables it on not.

Coloroll pounced. Coloroll has a Norcros's sensitivity to stakemarket capitalisation of nearly building mirrors the run-up to the size at £563m.

February 1987, Norcros's close february 1987, Norcros's close Yesterday's warning shot scrutiny of its share register dis-towards Coloroll followed the lat-covered that Bunzl, the paper

"If they have any intention per cent of Norcros, has refused ever, it is believed to be less likely to thid again in the wake of subsequent agreed purchases of Crown Paints and Polycell from closed last week in response to a Reed International and another

Norcros, building materials est swirl of takeover speculation and plastics group, had used 21 to bedevil Norcros, which last separate accounts to build a 26 esterday to bid for Coloroll if April only narrowly defeated a per cent stake.

April only narrowly defeated a per cent stake.

S540m bid from Williams HoldAlthough Bunzl subsequently

Saton bid from Williams Hold-ings, the building products com-pany.

Williams, which still holds 4 Williams' bid, which won 48 per

Unlike the Bunzl discovery, however, Norcros had no direct evidence of unusual activity before launching its latest beneficial ownership inquiries to Colo-roll and BTR under Section 212 of the Companies Act. The requests were based only on press specula-

were based only on press specula-tion, and Coloroll initially refused to answer.

Separately, Norcros expects shortly to amounce the appoint-ment of a chief executive to replace Mr Terry Simpson, who was dismissed in November after a boardroom row. His successor is expected to take over by April
1. Mr Simpson, ironically, is soon
to become a divisional managing
to become a divisional managing
to become 2p to 215p.



Acquisitive Heywood Williams over £20m

compared to a restated £10.55m in 1986. Esrnings per share advanced 51 per cent on an undi-luted basis, from 19.4p to 29.2p. At the same time, Heywood announced a move into the motor

vehicle windscreen market with the acquisition of Autowindscreens (Chesterfield) for £13.8m in a mixture of cash and convert-Yesterday's figures included a full year's worth of merger accounted profits from Thermax, purchased in April – and from UBM Glass and HAT Glass, which made only a three months contribution in 1986. Also included are profits from five other companies bought during the course of last year.

which made only a three months contribution in 1986. Also included are profits from five other companies bought during the course of last year.

Some 55 per cent of turnover of 2230.4m (£147.5m) derived from the sale of glass products, 30 per cent from aluminium, and the sale of materials against 7.75p in 1986.

Some 55 per cent of turnover of 2230.4m (£147.5m) derived from the sale of glass products, 30 per cent from aluminium, and the sale of glass products, 30 per cent from aluminium, and the sale of glass products.

Some 55 per cent of turnover of 2230.4m (£147.5m) derived from the sale of glass products, 30 per cent from aluminium, and the sale of glass products, 30 per cent from aluminium, and the sale of glass products, 30 per cent from aluminium, and the sale of glass products, 30 per cent from aluminium, and the sale of glass products, 30 per cent from aluminium, and the sale of glass products, 30 per cent from aluminium, and the sale of extraordinary items totalling £951,000. The balance sale of sale struction on contracts going as far back as although yesterday's figures contained no surprises — being shares on a prospective p/e of 9.

At this level — given an almost exactly in line with City — the shares, up 2p to 293p yesterday's figures almost exactly in line with City — the shares, up 2p to 293p yesterday's figures almost exactly in line with City — the shares of a prospective p/e of 9.

At this level — given an almost exactly in line with City — the shares on a prospective p/e of 9.

At this level — given an almost exactly in line with City — the shares on a prospective p/e of 9.

barely broke even after what was

described as a poor year.

Mr Raiph Hinchcliffe, chairman, said that the group's US management had been overstretched by ambitious expansion plans. These had now been scaled back with the closure of three manufacturing units and the abandonment of the warehouse distribution system through which Heywood used to supply DIY conversion kits for the

Costs of the restructuring amounted to approximately 2700,000, charged in the accounts

Heywood Williams Group, Huddersfield based glass and aluminium specialist, yesterday reported pre-tax profits of £20.2m for 1987 cent from aluminium — the US of the £21m businesses in both the glass and solid evidence that Heywood Williams is well positioned in aluminium divisions. The current liams is well positioned in year had started "strongly growth sectors of the market for ahead" of 1987, with the first two glass, and capable of pulling off months "well ahead" of budget.

year to June 30 last year.

A final dividend of 6p is pro-posed, making 9.5p for the year gainst 7.75p in 1986.

glass, and capable of pulling off good acquisitions to boot. For Autowindscreens made pre-tax profits of £1.8m (£743,000) on turnover of £1.8m (£3.5m) in the year to June 30 last year. Mr Hinchciffie said that Heywood intended to make further acquisitions — but that monopoly considerations may force the company to seek a "third leg" in an area of the building services sector other than aluminium and after the Autowindscreens purchase. shower-doors, cost only £21m chase — means that further acquisitions in the sector would attract the attentions of the Office of Fair Trading, Organic

Palma under pressure in 22% advance

cent increase in pre-tax profits to \$2.1m for 1987 despite a poor per-formance from its main customers - the multiple retail groups - towards the end of the year.

ABERCOM

39 177 27 847 114 480

6974 928 900

45 433

5621

51 084

group of companies in order to protect the ongoing stability of Abercom.

The negotiated sale consideration of £9.5 million (R34.4 million)

together with the release of Abercom from the quarantee

exposure should be considered satisfactory in the circumstances despite the resulting extraordinary loss incurred of

companies the cancellation of lesseback contracts in respect of unoccupied premises was negotated. The future lesse commitments of such cancelled lesses emounted to RS8

R19 635 000.

\$13 13

R000's

30 778

120 584

UNAUDITED INTERIM REPORT

CONSOLIDATED INCOME STATEMENT

ROOTs

245 671

(408)

8 226

122 034

TURBUTER

Income before net

Income before unation Taxation

Income after talescon

CONSOLIDATED BALANCE SHEET

CARTALEMPLOYED

Shareholders' equity Defeated taxation

EMPLOYMENT OF

£18.4m (£16.5m) during the year. The group paid £361,000 (£583,000) in interest and £588,000 (£436,000) - towards the end of the year. in interest and £586,000 (£436,000) Mr Balley said Pex suffered in taxation, Earnings per share from slow sales in the closing man, said the business had fared rose to 7.47p (£.19p) and the final months of the year but described

came from Pex, a manufacturer of socks, which derived half its of socks, which derived nan is sales from supplying retail multi-sales from supplying retail multi-sales from supplying retail multi-ples like Marks and Spencer and Storehouse.

million and were cancelled for a single payment of R9 million. This elizamented all liabilities for fature rentals in

respect of unoccupied premises.

While the transcrious explained have had the effect of

reducing the net asset value of Abercom at Decemb 1967 by R44 million or R2.16 per share, the results

balance sheet is sound and earnings have stabilised at a level forecast for 12 months to end June 1988 to be better than the 41 cents reported for 1987. The net seest value

A circular detailing the sale of the Davidson has group of companies is being prepared and will be distributed to shareholders in the near future.

The loss on the sale of the Davidson fan group of companies and the settlement of the lease commitments have been treated as extraordinary items in the income statement and have not been taken into account in the calculation of earnings per share.

The remaining operating company of Abercom is Abercom is Abercoch industries (Pty) Limited which is made up of

Abercom will change its financial year end to 31 August, to fell in line with ther of its new holding company, Mathele

Limited, and will accordingly report this year for the 14-mouth period to 31 August 1988.

Harveytile, National Spring, Spring Services, Woodh Kempo, Taycon Products and Valmetex.

Change of year end

Results and outlook

per share at December 1987 is 224 cents.

Palma Group, the hosiery, well until the fourth quarter dividend is 2p, making 3p (2.5p). the present pace of business as knitwear and clothing manufacturer, yesterday unveiled a 22 per the multiples depressed its turn-came from Pex, a manufacturer more than £1m in reequipping

kit form through mail order and a small chain of shops. Since the acquisition Palma had concentrated on strengthening Cloth-kits' management. It was review-ing the computer and

For the longer term Palma planmned to expand Clothkits' retailing activities. The number of shops would be increased from seven to 10 this year and to 20 by the and of 1989. Mr Balley said that Clothkits was performing "very well" and that it should return to profit this year.

The City has been somewhat circumspect towards Palma ever has been and to concentrate on nurturing its core businesses. The singuish sales last autumn— when the poor performance of the multiples was compounded by its own move upmarket -

specialist sealants for the aero-space, glazing, electrical, gas and engineering industries.

INVESTMENT TRUST Net court value (unaudited) as at 29th February, 1988

more than film in re-equipping. Pex this year thus increasing capacity by 20 per cent.
Monifort, a kniftwear manufacturer, was also faring well. Over the past three years Palma had ploughed film into a modernisation programme, the benefits of which were filtering through.

In November the group bought Clothkits, which sells clothing in hit form through mail order and

comment

since it was burnt so badly when reversing into Montfort four years ago. Those problems are now safely behind it and Palma has been able to concentrate on gave the group an opportunity to prove how well it could control the business. Profits should rise to \$3.2m this year, with earnings per share of 9p. In Clothkits the company has bought an appeal-ing brand name. Moreover it has seized its chance, not only to diversify away from manufactur-ing, but to dispel the City's doubts by staging an acquisition

Plessey acts as white knight in bid for Canadian defence group

Figures, the British electronics some caution expressed about its side North America.

roup, is seeking to enter the greater dependence on the North Leigh, which last year doubled group, is seeking to enter the Canadian defence market through a C\$100m (£44.41m) bid for Leigh Instruments, an Ottawa-based defence electronics

Plessey has been invited to act as a white knight by Leigh, which is the object of a hostile bid from IMP, a Canadian aero-Low & Bonar has decided to sell its electronics businesses following disappointing results from the division in the year to November 1987. The com-Plessey's offer fits into the

pany will concentrate on its packaging, plastics and tex-tiles divisions. Plessey's offer fits into the company's strategy of expanding its defence and semiconductor operations. The Leigh bid is Plessey's third acquisition initiative in five months and seems likely to be followed by other bids in the coming months.

The City reacted cautiously to the announcement, welcoming the move as a further step in Plessey's new stratery, but with Group pre-tax profits ros from a restated 218.8m to

Electronics

businesses

by Low

& Bonar

By Maggle Urry

sale planned

from a restated 218.8m to 220.6m, helped by a one-off 21.7m pension fund rebate. At the earnings level, the impact of shares issued late in 1985 held the per share increase to 1 per cent at 17.5p.

Electronics division pre-interest profits fell from £4.2m to £1.6m - the UK business being the culprit with a swing from a £2.8m profit to a loss of £123,000.

Mr Roland Jarvis, chief executive, said he hoped the sale of the five electronics subsidiaries, valued in the balance wheet at £20m, would raise £35m to £45m. He said there were more opportunities for were more opportunities for growth in and greater logic between the group's other between the group's other areas. They are all based on polymer technology and are all capital intensive. The money raised from the sale would be spent on acquisitions.

The plastics division doubled pre-interest profits to \$3.5m, with a particularly strong performance in Runme.

53.5m, with a particularly strong performance in Europe.

Mr Walter Telfer, finance director, said year-end gearing at 34 per cent met the group's target. Since then the sale of a plastics company had raised \$4.5m. The buying in of the Canadian minority would cost \$17.5m, but once the electronics division was sold the group would have net cash.

would have not cash.

The final dividend of 4.15p not (3.6p) makes a total of 6p

comment

As a supposed growth com-pany Low & Honar has had its sethacks. It is not long since electronics was to be the excitelectronics was to be the exciting area of growth and the sale
proceeds are unificely to repay
the money, effort, and shareholder goodwill squandered in
building up the division. That
said the remaining businesses
do appear to have a coherent
logic, are at the high-technology end of their industries
with good margins. This year
should see a reamaption of
growth, if only because the
cash raised from the electronics sale should earn a better
return than the companies did
and start-up losses are climinated, though lacking the pension fund rebate. The tax
charge should stay below 30 per cent for a couple of years yet, with help from the buying in of the Canadian minority. Earnings per share should reach 23p this year, to give a prospective p/e of about 10. The management has some credibility to regain but that is balanced in the rating by bid hopes, particularly for the time when the sale proceeds come in.

KLP purchase

KIP Group, sales promotion, is buying Infomedia (Middle East) for a total of up to £950,000. Infomedia, based in Nicosia, Cyprus, provides direct marketing and related services to clients in the Middle East.

the initial cash payment will be £380,000, followed by further payments of up to £370,000 dependent on profits in the next three years.

American defence market.

sey's defence business, said the ordinary share at \$5.25. IMP company intended to use Leigh holds about 9 per cent of Leigh's as a platform to sell its communiscations, anti-submarine and avi-

its pre-tax profits to \$10.2m on Canada has recently embarked sales up 37 per cent at \$52.7m, on a sizeable expansion of its has been seeking a partner to defence spending, although some expand its operations. ristr

observers believe this might be
pared back after the general election expected later this year.

Mr Alan Jones, head of PlesNova Scotia, which valued each

onics equipment in Canada. He Leigh ordinary at \$6.50. Leigh's estimated that Piessey would be shares have been trading at able to bid for £500m of Canadian about \$5.75 since IMP's bid. defence contracts over the next Mr Jones said there was no sig-five years. Mr Jones said there was no sig-nificant product overlap between the coming months.

The City reacted cantiously to the announcement, welcoming the move as a further step in Plessey's new strategy, but with the coming the move as a further step in Plessey's new strategy, but with the coming the move as a further step in Plessey's new strategy, but with the coming the move as a further step in Systems — together accounting reported earnings per share up 19 per cent at \$0.44.

Virani £88m property buy

Control Securities, the property and leisure company headed by Mr Nazmu Virsul, is to pay will become the ultimate landlord Mountieigh Group 285m in cash and shares for 17 freehold and stationed in Suffolk. Mountour long leasehold properties.

The share issue will increase housing estates in 1982 was a key Mountleigh's equity stake in Control from 4 per cent to 17.5 per textile manufacturer to one of cent of enlarged capital. It also the decade's most successful clears the way for Control to property developers.

cent of enlarged capital. It also the decade's most successful clears the way for Control to property developers.

Yesterday's deal valued the military estates at £26.5m, compared with last week's agreed £200m disposal of Beaufort tleigh paid to the Post Office pendous, a City of London office block, the £68m cash proceeds of spectraly's sale will reduce Mountleigh's gearing to less than 30 per cent, according to Mr Tony mercial and retail properties.

don and elsewhere in Britain. Apart from the Suffolk estates, the properties produce annual rental income of £4.2m. Most have early reversions.

Apart from its ambition to buy more leisure assets, such as hotels and public houses, Mr Virani said Control would continue to concentrate on trading in prop

and £10m.
This niche market was especially attractive to fellow Britons of Asian descent, Mr Virani said. They would be more likely to approach Control to buy suitable investment properties than they would other companies.

Birmid says defenders should be compensated

BY MICHAEL SMITH

their defence.

Mr Tommy Macpherson, chairmann, suggests in the company's for a quick dealing profit.

He also says that "it cannot be right that the validation of purples of the company's annual report that a system right that the validation of purples and acceptances is a matman, suggests in the company's for a quick dealing profit."

annual report that a system should be devised whereby insuccessful bidders should compensate defending companies "for the offerer alone", the very material costs which they have incurred".

His suggestions follows Birmid's success last month in fight. should supervise the counting of ing off a £275m bid last month from cement company Blue Circle.

Last week the panel amounced that, in the meantime, the counting of that, in the meantime, the counting of the coun

in extraordinary year's accounts. have been the managements of Blue Cir. ing bank.

The managements of Bive Circle and Birmid are to meet on In the Birmid battle this led to involve the issue of 3.58m new Royal shares — worth around the bid failed. The cement comwhy Bive Circle initially claimed pany owns 43.8 per cent of Bir- victory in error.

Birmid Qualcast, the home products company, believes that companies which fiend off unwelcome takeover bids should be compensated for the costs of their defence.

The products company, believes that method must be sought to frustrate the activities of arbitrate the activities of arbitrate the defence, and seek to ensure the success of a bid only for a quick dealing profit.

Ing on a £275m and last month from coment company Blue Circle.

Birmid has not put a figure on its defence costs but they are believed to amount to more than bidders. Previously, purchases of shares have been counted by the an extraordinary loss in this bidder's broker while accordance. have been counted by the receiv-

Royal Ins lifts stake in estate agency offshoot By Nikki Talt

Royal Insurance, UK composite insurer, plans to raise its minority stake in Fox Property Services, one of its three main estate agency chains to 65.4 per cent. Yesterday, it posted a rec-ommended partial tender offer for an additional 16.7 per cent of the equity. the equity.

The UK composite said the move reflected the growth in Fox itself and the impending imple-mentation of the new Financial Services Act. Royal already holds 100 per cent of Oyston, its smallest chain, but also has a minority interest in W H Brown, with 225 outlets. Fox is its largest chain with 250 offices.

Royal was unable to supply full details of the tender offer last night, but said it takes the form ite or a full cash alternative. Full acceptance of the offer would

Tough line from Treasury over unhonoured BP share payments

cheques written to pay for their subscriptions in October.

TOUGH letters warning of possible legal action have been sent to British Petroleum share applicants who have falled to honour the Treasury said.

Tought letters warning of possible legal action have been sent to British Petroleum share applicants who have falled to honour the Treasury said.

Treasury said.

Treasury said.

Treasury said.

tar's Department of the National Westminister Bank to subscribneques written to pay for their ubscriptions in October.

One letter from the Treasury ers for lesser numbers of shares. Some 270,000 share applicants

Solicitor has been sent to applicants. The letter says that applicants. had originally defaulted on their cants for more than 2,500 shares, should pay the first instalment commitment to purchase the and warms that legal proceedings on the shares to avoid legal shares, which plummeted in could commence by March 14 to

Palma Group

Comparative figures £000	1987 1986
urnover	18,362 16,467
retax profits	2,143 1,750
rofit attributable	2,371 1,260
arnings per share	7.47p 6.19p
Dividend per share	3.00p 2.5p

Copies of the Report and Accounts will be smallable after
6 April 1988 from: The Secretary,
Palma Group pic, 577 Aylestone Road, Leiosster, LE, SPD.

Galliford

INTERIM FINANCIAL	STATEM	ENT
(Unaudited)	6 months	
	31.12.87	31.12.86
·	£'000	£'000
Turiover	<u>75,</u> 316	49,244
Trading profit	3,623	2,918
Less depreciation	1,056	919
	2,567	1,999
Add share of profit in	2,002	1,555
related companies		7
	2,641	2,006
Less taxation	959	752
•	1,682	
Less minority interests	•	1,254
	<u> 11</u>	11
Proposed interim dividend	1,671	1,243
(0.70p per share)		
1986 0.625p per share)	400	CDO
TOOD AND POT BILLIED	<u>469</u>	379
_ :	1,202	864
Earnings per share	2.58n	2.23
Carnings per share Lam able to report e most satisfactory uma period for 1966. Present indications underpin our con unit be higher than the practices.		orofi

PETER GALLIFORD Chairman

than the previous year, which were, in themselves, s record for the Group.

The directors have declared an interim dividend of 0.70p per share (1986 0.825p per share) psyable on 5 April 1988. Copies of the inherin report will be despetched to shareholders on 7 March 1998. Other copies will be available after that does from The Secretary, Galliford pic, Wolvey Gostope, Wolvey, Linconservative LE IO 3(D.)

As the Davidson fan group of companies was sold with effect from 1 July 1987, figures for the six months to 31 1 420 Current essets 103 081 December 1986 have been restated for compensive 170 608 Total assets MANUFACTURER AND DISTRIBUTOR 39 163 48 574 export maries have assisted the remaining operations of Abercom to record considerably better tracing results for the period under review. This improvement is Williams Hldgs Pretax profits up 22% DATE RELETED TO SHARES IN ESSUE expected to continue in the short to medium term and the next eight-month period is anticipated to produce results which proportionally will be better than those recorded to sell sealants reports Peter Bailey, the Chairman side for £7.5m 20 308 20 308 20 308 The utilisation of the funds generated on the disposal of the Davidson fan group of companies is under consideration by the board and shareholders will be advised of the deployment thereof in this course. Pretax profits for the the year to 31 December By Michael Smith 1987 were £2.1m against £1.75m last year. Earnings per share rose 21% to 7.47p. DATA PER SHARE Williams Holdings, the industrial group, is to sell sealants company Elastomers to Products Research and Chemical Corpora- Extraordinary credits of £1.2m accrued from the sale of the Margate property and the disposal of our investment in Towles plc. Capital expenditure commitment Authorised by the directors and contracted ~ R847 000 tion, of the US, for £7.48m. (1988-R31 000). Authorised by the directors but not Disposal of the Davidson fan division Sealants, part of the Berger, Jenson and Nicholson paints group which Williams bought A final dividend of 2p is recommended and -- R105 000 (1986 R1 368 000). Shareholders were advised in the 1987 annual report that American Deviction was trading unprofitably. In the subsequent aix months to December 1987 trading conditions making 3p for the year - an increase of 20%. Highlight of the year was the acquisition of Lewes Design Workshops, which trades as Clothkits through mail order and via seven retail. The board of Abercom has been reconstituted as follows: wo months ago, made pre-tax morated further and losses of R3.1 million wer P.J.J. Beningfield (chairmen), G.F. Buckley, E.J. le Roux, D.H. Ross-Jones, G.S. Thomas, K. Zirker, D.P. Kennesily profits last year of £826,000 and No significant improvement was forecast and the losses were its net assets on December 31 shops. Prospects for this company are exceptional. In the wake of the foreign debt moratorium certain short term banking facilities in the United States were withdrawn and a long term facility was under threat of withdrawn). were £1.63m. Dividend declaration Williams said the disposal war Although results for 1987 did not match our Dividend number 49 has been declared by the board at the rate of 6 cents per state (1996 ~ 6 cents). Dividends will be psyable to shareholders registered on the johanneshung and London registers on 31 March 1986. likely to be the first of several companies which did not fit the company's long term strategy. Elastomers makes and supplies highest expectation, 1988 has started well and we Abercom guaranteed banking and other habilities of the overseas Davidson compenses in an amount of R78.4 million at look forward to a further year of growth. cial rand rates. Dividenci chaques will be posted on or about 27 April 1988, those for shareholders on the London register being Faced with a detenoming international situation counled with a potentially onerous gravantee exposure it was deemed prudent to negotiate for the disposal of the entire Davidson fan

drawn at the rate of exchange rating at the close of business on 8 March 1988, non-resident shareholdent tax where applicable, will be deducted. FULCRUM

8 March 1988

Abercom House, Oxford Park

UK COMPANY NEWS

Christmas boost for Wyevale

Maria Company

knight)

ANIMATED dwarfs and Father Christmas dropping in by heli-copter helped Wyevale Garden ANIMATED dwarfs and Father spring.

Christmas dropping in by helicopter helped Wyevale Garden have franchise operations along the side the sites, including swimming per cent to \$754,000 for the ming pools, garden sheds, green-27 per cent to £754,000 for the year ended December 31 1987. houses, double glazing and The advance from £594,000 was restaurant facilities. Franchising made on sales 25 per cent ahead at £7,94m compared with £6,36m, cent, of pre-tax profits. Pets are "We made a big effort at also on sale at eight centres, five Christmas, selling trees and top Norwegian quality decorations," and Mr Brian Evans, chief executive. This helped to lift the traditionally quiet months of the year. We had more customers coming before are paying off. With a through the doors, about 10 per cent up on last year". Apart from the added attraction of rabbits.

We had more customers coming become a garden centre with a sinary of the UK electrical and through the doors, about 10 per difference are paying off. With mechanical engineering group, through the country, has 16 centres throughout England and Wales, ranging in size from two to 14 acres. The company is waiting for planning company is waiting for planning for existing businesses wood burning stoves, a visit to a captive, said Mr Evans. "Gar centre becomes a Sunday outing to acquire, said Mr Evans. "Gar centre becomes a Sunday outing the 17 per cent from C\$34.25m to C\$39.95m (£18m).

This increase was achieved on the west Midlands, which it hopes to open for trading next. The tax charge was £207,000, will need to continue its policy of ings per share of \$2.52 (£2.01).

compared with £204,000 last time, and interest payable was £104,000 existing ones - and there is certainly not a shortage of the latter. This year has started pretty dividend of 2.17p was recommended, making a total for the res out with a vengeance. Foregreet of 2.9n casts of just over film pre-tax

HS Canada up 17%

Hawker Siddeley Canada, sub-sidiary of the UK electrical and

COMPANY NEWS IN BRIEF

buy

AEROSPACE ENGINEERING said 3.98m shares (94.2 per cent) of the rights issue had been taken up. There will be no distri-bution to shareholders not taking

CASTLETOWN PRESS had turn-

FERGUSON INDUSTRIAL Holdings has purchased Design Mark Industries for \$3,1m (£1.72m) cash of £1.3m. The sale forms cash of £1.3m. The sale forms part of the rationalisation of Halite And allows development of products for use in the computer, automotive, marine, aircraft and photographic equipment industries.

1. The sale forms of Halite Hilling Halite Hilling Halite Hilling Plassics was sold to C.H. Industrials for £7,000 and repayment; of £3520, Final dividend 6.35p making 9.7p (9.2p) total. Two-forms (2180,000). Net asset was stock to C.H. Industrials for £37,000 and repayment; of the computer of the rationalisation of Halite Plassics was sold to C.H. Industrials for £300,000 and repayment; of the rationalisation of Halite Plassics was sold to C.H. Industrials for £300,000 and repayment; of the rationalisation of Halite Plassics was sold to C.H. Industrials for £300,000 and repayment; of the rationalisation of Halite Flassics was sold to C.H. Industrials for £300,000 and repayment; of the rationalisation of Halite Flassics was sold to C.H. Industrials for £300,000 and repayment; of the rationalisation of Halite Flassics was sold to C.H. Industrials for £300,000 and repayment; of the rationalisation of Halite Flassics was sold to C.H. Industrials for £300,000 and repayment; of the rationalisation of Halite Flassics was sold to C.H. Industrials for £300,000 and repayment; of the rationalisation of Halite Flassics was sold to C.H. Industrials for £300,000 and repayment; of the rationalisation of Halite Flassics was sold to C.H. Industrials for £300,000 and repayment; of the rationalisation of Halite Flassics was sold to C.H. Industrials for £300,000 and repayment; of the rationalisation of Halite Flassics was sold to C.H. Industrials for £300,000 and repayment; of the rationalisation of Halite Flassics was sold to C.H. Industrials for £300,000 and repayment; of the rationalisation of Halite Flassics was sold to C.H. Industrials for £300,000 and repayment; of the rationalisation of Halite Flassics was sold to C. tics was sold to C.H. Industrials for £87,000 and repayment of £87,000 loans. CHI has also purchased the privately owned Aldo-Manta (maker of seats for satisfier) for an initial £552,000 cash. JOS HOLDINGS, investment trust, reported a next asset value of 183 for at Investment 21 trees of 183 for at Investment of 183.6p at January 31 1988

OLD COURT International HAVELOCK EUROPA is forming

over £433,000 and pre-tax profit against 173.5p a year earlier but Reserves reported gross revenue an architectural joinery division bank deposit interest of to be called Edinburgh Shopfit-ber 31 1987. Earnings 4.37p. Company said cash position was strong and a number of acquisitions were under investigation.

EVERED HOLDINGS has dissorted a profit against 124p.

OLD COURT. International HAVKLOCK EUROPA is forming of 183.6p at January 31 1988

OLD COURT. International HAVKLOCK EUROPA is forming an architectural joinery division hank deposit interest of to be called Edinburgh Shopfit-US\$17.88m. (£9.8m) for the half ters. Freshold premises together year to December 31 1987 compared with \$17.8m for the compabeen bought from Headway Contains were under investigation.

EVERED HOLDINGS has dissorted a profit against 124p.

Upgrading RAF airport in Cornwall

CEMENTATION CONSTRUCTION, a Trafalgar House company, has been awarded a £5m project by the Property Services Agency at RAF St Mawgan, located near Newquay, Cornwall. Cementation will be carrying out lighting will be raised hefore an eight-month repair and upgrading programme at the air-port. The work will comprise the replacement of around 200 bays of pavement quality concrete top slab. At each end of the runway the company will breakout a length of 60 metres of composite construction and replace with 325 fee contract combining building length of 60 metres of composite construction and replace with \$25 fee contract combining building the contract combining the con

reinstatement of the runway

A contract, worth up to US \$10m (£5.7m) over the next three years, has been awarded to RACAL MARINE SYSTEMS following its also form part of the contract. selection by the US Navy as the supplier of Hyper-Fix and QX3A precise navigation equipment for use in mine counter measures applications including the off-

erties). The eight-month contract provision for the supply of is due for completion in October, Hyper-Fix shore stations, ship-and the store will open for trad-board receiving and track guidter receivers. Hyper-Fix shore station remote control and monttoring facilities, which can be ret-rofitted to shore networks, and

This announcement appears as a matter of record only



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Legal Adviser to National Westminster Bank PLC Allen & Overy

International Westminster Bank PLC

February 1988

APPPOINTMENTS

Changes at French Connection Group

from May 1. Mr Nick Burman, group financial controller, becomes company secretary. Mr Kosnowski joins from Local London Group where he was group financial conytroller. Mr Michael Shen, currently group finance director, is leaving on May 1 to pursue personal business inter-

LILLYWHITES has promoted Mr Patrick Woodall, sales and marketing controller, to director level. Mr Stephen Richards has joined the company as merchan

Authorised

£4,500,000

£1,875,000

£6,375,000

to be admitted to the Official List.

River & Mercantile American Capital and Income Trust PLC,

7 Lincoln's Inn Fields, London, WC2A 3BP

MARSH FINANCIAL MANAGE. ERS DEFENCE SYSTEMS as MENT. He joins from the Bar operations director, Leeds, where wick Group where he was he was project manager. He succeeds Mr John Alexander, Mr Brian Ashford-Russell, Mr John Escott, Ms Sarah Hunter-John Escott, Ms Sarah Hunter-Jo

TIGER TIM PRODUCTS, Mold, Clwyd, a firelighter manufac-turer, has appointed Mr Christopher J. Coxon as managing direc-tor. He was with the Robert McBride Group.

Mr Robert Biddle has been dise controller.

Mr Boh Bowyer has been appointed finance director of appointed general manager. Tional, He joins from Siebe, insurance processing and accounts, of AA INSURANCE services. He was executive manager, insurance accounts.

Mr Bobert Riddle has been pensions administration manager with Crown Financial manager with Crown Financial manager with Crown Financial manager appointed appointed appointed appointed appointed and inortage and property administration manager with Crown Financial manager appointed appointed appointed at the personnel and inortage and property administration manager with Crown Financial manager appointed appointed appointed at the personnel and inortage and property administration manager with Crown Financial manager appointed appointed appointed at the personnel and inortage and property administration manager with Crown Financial manager appointed appointed appointed at the personnel and inortage and property administration manager appointed for the personnel and inortage and property administration manager appointed finance appointed finance in the personnel and inortage and property administration manager appointed appointed appointed appointed appointed appointed at the personnel and inortage and property administration manager appointed ap

> River&Mercantile American Capital and Income

__Trust PLC___ (Incorporated in England and Wales under the Companies Act 1985, Registered number 2199212)

> Placing by Olliff& Partners P.L.C.

37,500,000 Capital Shares of 10p each at 20p per share

(with Warrants attached) 7,500,000 Income Shares of 25p each at 100p per share

Share Capital

The Warrants confer a right to subscribe for a total of 7,500,000 Capital Shares. River & Mercantile American Capital and Income Trust PLC has been formed to enable investors to participate in the US securities markets by acquiring an interest in a split level investment trust company which will acquire a portfolio of US securities.

Application has been made to the Council of The Stock Exchange for the whole of the issued share capital and the Warrants of River & Mercantile American Capital and Income Trust PLC

Copies of the Extel cards containing particulars of the Capital Shares, Income Shares and

Warrants are available in the Fixtel statistical services and may be obtained during normal business

hours on any weekday (Saturdays excepted) until 11th March 1988 from the Company Announcements Office, The Stock Exchange, London EC2 and up to and including 22nd March 1988 from:

in Capital Shares of 10p each

in Income Shares of 25p each

RELIANCE MUTUAL INSURANCE SOCIETY has promoted ment for NOVOTEL UK. He has
Mr Philip Bowden to life and been working for the group in pensions manager. He was group New York. pensions administration manager

Issued and to be issued fully paid

37,500,000

7,500,000

Detred 5th March 1988.

Nominal Value

£3,750,000

£1,875,000

£5,625,000

Offiff & Partners P.L.C.,

32 Threadneedle Street,

London, EC2R8BA

FRENCH CONNECTION GROUP Mr Roger J. Winter has been Mr Ron Pritchard has been Mr Jim Prince has been has appointed Mr Stephen Kosappointed a director of ROPNER, appointed executive director of appointed to the board of VICK-

and Mr Peter Roberts as manag- appointed managing director of ing director of Rossmore War- CARTERS GOLD MEDAL SOFT wick (North), Both subsidiaries of DEINKS.

ROSSMORE WARWICK.

Mr Peter Leather has been

Wedd where he was director in charge of glit-edged risk manage-ment. He succeeds Mr Graham Colbourne. Mr Mike Roberts' post as head of European invest-ment will be filled by Mr Germent will be filled by Mr Ger-hard Wehr, who is joining from Royal Trust in Singapore.

Mr Youv Gottesman has been appointed group chief executive of the JACK L. ISRAEL GROUP. Mr John Alexander retires as executive chairman on March 31, and becomes non-excutive chair-man. Mr Reigh Temple has been appointed a non-executive direc-tor. He was a joint managing director of Tesco. Mr Stephen Glazer, a director, resigns on March 31 to pursue private inter-

Mr Roger Hatfield has been appointed finance director of ALPHAMERIC. He was company secretary and a divisional direc tor responsible for finance. He is a director of subsidiaries Alpha-meric SA (France), Real Time Developments, PC Communications, and IGG Systems. He is also company secretary of Bish-opsgate Terminals.

Mr Christopher C. Bowshell, managing director of Pre-Met Electrical Components, has been appointed to the board of parent company, PLASMEC.

WILLIAMS HOLDINGS has appointed Mr Jim Rigg as a non-executive director. He is finance

Mr Ivan Woulds has been appointed finance manager/com-pany secretary of OVARO

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Rosal Inch

Steetley

chemicals

Steetley, the construction

Basingstoke-based Berk is a

The disposal is part of Steetley's longer-term strategy to concentrate on quarrying and construction-related activities.

staff in

buy-out

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UK COMPANY NEWS

Sumitomo to take stake in I&S

BY JAMES BUXTON

kant minority stake in Ivory & Sime, the Edinburgh based fund management company.

per cent of I&S, by subscribing to Scottish company had been a £7.52m share issue which will talking to Sumitomo Life for increase I&S' share capital by 20 some months about the possibility of comply with a requirement by the investment Manage the I&S stake as part of its policy and the I&S stake as part of its policy.

Sumitomo Life Insurance Company's normal level of pany, a leading Japanese finantion. Life Ivory Asset Manage in stitution, is to take a significant minority stake in Ivory & agement company based in Hong to the company's normal level of expenditure.

IMRO has told less that from the company to the company's normal level of expenditure.

IMRO has told less that from the company to the company's normal level of expenditure.

Sime, the Edinburgh-based fund Kong.

Mr Alex Hammond-Chambers,
Sumitomo will take up to 15 chairman of L&S, said that the

ment Regulatory Organisation of co-operating with the Scottish (IMRO) to increase its capital group. This distinguished it from base and partly to fund the development of its new retail finance cent - which it took in Kleinwort Benson, at the time of the

January 31 1988. Turnover rose from £27.9m to £36.4m.

Mr Martin Jourdan, chairman

This was further boosted by

An interim dividend of 7p (5p) was recommended. After tax of

£1.4m (£856,000), earnings per

Parker Knoll was working on the reduction of fire risk in

Consequently, part of the range has already been re-engineered to meet the new requirements and

the rest should be completed within the current financial year. Mr Jourdan added that current

orders were high and output was at record levels. Furnishing fab-

branches of the busin

share were 36p (25.8p).

book next year.

4.6m of these shares.

The new shares will be available to existing shareholders on a 1-for4 basis. I&S' biggest shareholder, Ensign Trust, the mer-chant navy's pension fund, which

would acquire a 15 per cent stake

make provisions based on levels of business transacted. On current volumes of client business that will require the setting aside of a further 2600,000.

The rest of the proceeds from the share issue will help finance agreed to purchase its full alloca-tion.

If no other shareholders take
up the issue, Sumitomo Life
would acquire a fix was a constant. ists, led hy Richard Carswell from National Westminster's

County Unit Trust Managers.

Steetley, the construction materials group, has agreed to sell its specialist chemical trading activities, part of Steetley Berk, to its management and employees in a deal worth 16m.

Mr leuan Thomas, former development director of Steetley Berk, is leading the management humant team all of whom have buyout team, all of whom have

remortgaged their houses to buy a 70 per cent stake in the new company which will be known as Berk Limited. I&S hopes to develop new joint wentures with Sumitomo Life in international investment management and other areas.

Sumitomo Life has been a client of I&S since 1985 and last navy shares for cash at 125p per a member, bases this figure on burgh.

Last year it formed a joint venture aside £5.1m from the proceeds of ture in fund management with the issue to meet the requirements of the 1986 Financial Serpany called Sumitrust lyory & vices Act. IMRO, of which I&S is Sime, which is based in Edinary shares for cash at 125p per a member, bases this figure on burgh. distributor of specialist chemicals which posted pre-tax profits of more than £Im on turnover ol

Parker Knoll moves up 57%

March investment Fund and the British Gas Pension Fund are backing the buyout while the Royal Bank of Scotland is provid-ing additional banking facilities. Mr Thomas said he intended to seek a stock market listing for Berk within the next three to five years, taking it back to the origi-nal public company status it had before it was taken over by Stee-

Good start for **High-Point** with 64% rise

A 64 per cent lift in pre-tax profits, from £401,000 to £659,000, for the half year ended November 30 1987 is reported by High-Point Services, which moved from the USM to the main market in

Earnings worked through at 8.889 (6.08p) and the interim dividend is raised from 1.75p to 2p. Turnover rose to £13.15m (£12m) and operating profit to £554,000 (£398,000). Associates contributed 127,000 (£146,000).

The result reflected a satisfac-

tory start to the year, said Mr Ian

Aspen buys video group BY DOMINIQUE JACKSON Parker Knoll, furniture and for £1.3m textiles group, reported pre-tax profits up 57 per cent from £2.8m to £4.4m for the six months ended

Aspen Communications yester-day announced it had agreed to acquire Edit Art, a video post-production company, for £1.8m. Aspen, USM-quoted diversified group with interests in business publishing, cellular telephones, video production and computer stellopery. said the continued improvement in profitability was a result of strong organic growth in both the taxtile and furniture.

Aspen said it expected its own 1987 pre-tax profits, due out next month, to reach at least £3.4m, an increase of 61 per cent over 1986 full year's contribution from tex-tile designer and supplier Monk-well which joined the group in with turnover up more than 50 per cent from £16.7m to £25m.

The directors intend to recommend a final dividend of 3.5p, making a total of 5.1p (4.1p).
Edit Art made pre-tax profits of £142,000 for the eight months to January 31 1988. For the year to May 31 1987, Edit Art made pre-tax profits of £145,000. did not anticipate any adverse affect on business from legisla-

tion banning the use of certain types of polyurethane foam, which is due to reach the statuts Aspen said the acquisition of Edit Art would enhance its abil-ity to handle the expanding vol-umes of video husiness produced by its subsidiary Aspen Spafax Television

upholstered furniture before the proposed laws were announced earlier this year following a spate of fatal fires blamed on foam-lilled furniture. The initial consideration of firm will be satisfied by the issue of 256,410 new ordinary shares in

Aspen.
A further consideration of E300,000 will be payable when the vendor, ICT, satisfies certain conditions regarding the lease of Edit Art's operating premises.

Tribble Harris

Two subsidiaries of Tribble Har-ris II, USM-quoted architectural and design company, have won commissions to design luxury Ritz Carlton hotels at Aspen, Col-orado and Scottsdale, Arizona.

Share stakes

Changes in share stakes announced in the past week

Goode Durrant - Devon Associates, which is ultimately con-trolled by Waring family trusts is interested in 6m shares (12.27 per cent) following the purchase of 110,000 at 125p on February 24. James Wilkes - the consortium of three directors, Mr Stephen Hinchliffe, chairman, Mr Arthur Watt and Mr Andrew Hartley,

Watt and Mr Andrew Hartley, now holds a 29.64 per cent stake having acquired a further 100,000 shares at 170p.

Windsor Securities (Holdings) -Cannel Holdings & Properties has increased its holding to 2.82m

shares (12.2 per cent). Telfos Holdings - The Chilling ton Corporation has reduced its stake below 5 per cent with the sale of 655,000 shares on Februury 26. Boosey and Hawkes - After

Boosey and Hawkes - After raising its holding to 245,000 shares (8.79 per cent) United East India Company, a subsidiary of Ensign Trust, has sold the holding to Windjammer, a Filmtrax offshoot.

Gnome Photographic - Mr S H Robertshaw holds 284,000 (10.5 per cent) after buying 10,000

per cent) after buying 10,000 shares.

shares.
Cheisea Artisans - Mr C B
Smith, director, bonght 1,500
share at 125p on January 18.
Appleton Roldings soid 25,000
shares at 120p on February 23
and holds 395,000 (20.57 per cent).
Barlows - Mr N W Berry, chairman, sold 107,000 shares at 72p, reducing his holding to 2.46m

BOARD MEETINGS

By held for the purpose nos. Official indications is

KANSALLIS-OSAKE-PANKKI Y10,000,000,000 rdinated Reverse Floating Rate Notes due 15th August, 199t

Eor the six months 15th February, 1988 to 15th August, 1988 the Notes will bear an interest rate factor at 4,1745%, Y47.745 will be payable on 15th August, 1988 per Y1,000,000 principal amount of Notes.

KANSALLIS-OSAKE-PANKKI Y19,000,000,000
Subardinated Reverse Floating
Rate Notes due
5th September, 1991
For the six months 7th March, 1998

to 5th September, 1988 the Notes will bear an interest rate factor at 3,900 %, Y39,901 will be payable on 5th September, 1988 per Y1,000,000 principal amount of Notes.

KAWASAKI STEEL CORPORATION Y10,000,000,000

Y10.00,000,000.

Reverse Floating Rate Notes due
5th September, 1921
For the six mouths 7th March, 1983
to 6th September, 1983 the Notes will
bear an interest rate factor at
3.9508%. Y39,508 will be payable on
6th September, 1983 per Y1,000,000
principal amount of Notes.

Martin Jourdan: Strong growth in both textiles and furnitum
was boosted by full year's contribution from Monkwell

Mr Jourdan said Parker Knoll ric sales were shead of last year producing the ultimate in reclining chairs for tired executives, the company is fast becoming a force in the lucrative designer textile market with last year's and exports were holding up well despite the strength of sterling. He said that strong demand continued for furniture from

continued for furniture from Nathan, while Lock of London cak reproductions performed exceptionally during its second year within the group.

Despite intense competition in the woven curtain velvetmarket, sales and margins had both improved at K Raymakers & Sons and the chairman was confident that full year profits would be ensure it was not caucht out by could well use some of this cash tory start to the year, said Mr Ian for another purchase and is considering a move across the Atlanta that chairman was confident that full year profits would be highly satisfactory.

Comment

Parker Knoll is certainly sitting comfortably as these figures and yesterday's consequent tump in tha share price show. Although still best known for the sales and the englastic of the construction of the pear, said Mr Ian for another purchase and is considering a move across the Atlanta to the year, said Mr Ian for another purchase and is considering a move across the Atlanta to the year, said Mr Ian for another purchase and is considering a move across the Atlanta to the year, said Mr Ian for another purchase and is considering a move across the Atlanta to the year, said Mr Ian for another purchase and is considering a move across the Atlanta to the year, said Mr Ian for another purchase and is considering a move across the Atlanta to the year, said Mr Ian for another purchase and is considering a move across the Atlanta to the year, said Mr Ian for another purchase and is considering a move across the Atlanta to the year, said Mr Ian for another purchase and is considering a move across the Atlanta to the year, said Mr Ian for another purchase and is considering a move across the Atlanta to the year, said Mr Ian for another purchase and is considering a move across the Atlanta to the year. Said Mr Ian for another purchase and is considering a move across the Atlanta to the year. Said Mr Ian for another purchase and is considering a move across the Atlanta to the year. Said Mr Ian for another purchase and is considering a move across the Atlanta to the year. Said Mr Ian for another purchase and is considering a move across the Atlanta to the year. Said Mr Ian for another purchase and is considering a move across the Atlanta to the year. Said Mr Ian for another purchase and is considered and is considered and year. The reorganic station, now substantially completed and year. The reorganic

GRANV

SPONSORED 37 80 1.7 270 3.3 115 45 66 115 41 113 11.5 15.1 5.4 10.3 3.7 91 Carborostum 7.5% Prof ... 1.9 54 3.4 10.4 3B 99 31 132 4.4 31 B 3.4 9.4 47 62 6.7 47.3

5.5 6 6 2 7 2 6 6 224 67 Torday & Carlisle 71. 32 Travian Holdings i 246 190 W 5 Yeartes

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The patience and intricacy with which Arab fishermen weave a net is a form of craftsmanship that has been passed down

from father to son for generations.

technology of the future.

The British Bank of the Middle East has been actively involved in the Arabian Gulf for more than ninety years. And in all that time we've been as careful to safeguard the skills and values of the past as we've been committed to develop the skills and

It's a philosophy which has helped us to establish an unrivalled range of financial services to meet the needs of the region. And leaves us ideally placed to help you ... profit by our experience.

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W Martin

FINANCIAL TIMES



The buoyant direct marketing business needs to ensure that its standards match its commercial

importance. There have been further attempts recently to regulate this fast-expanding sector, and quality will remain the key issue for some time to come, writes David Churchill

The search for quality

DIRECT marketing continues to be one of the fastest-growing and most effective communication channels of the 1980s. Its appeal direct to individuals either at bome or their place of work offers a specialised approach that broader communication methods cannot hope to match.

This was borne out in a recent survey of the UK's leading adver-tisers - sponsored by the Christian Brann direct marketing con-sultancy and published by Campaign – which suggested that over half of these advertisers believed direct marketing would become mora important than image advertising by the end of the next decade.

Significantly, some 90 per cent of the 250 advertisers surveyed of the 250 advertisers surveyed mail in relatively low esteem". already use direct marketing in He believes that the industry their communication campaigns. Yet such bnovant prospects for

an industry which only a decade ago was treated almost with con-tempt by the advertising world should not be taken for granted. Direct marketing is at the stage where if it is now to be taken are in keeping with its commercial importance.

Exhibition Centre in West London, as well as at next month's Montreux Direct Marketing Sym-

osium.

"If the industry tries to grow too fast, spreads itself too thinly, and fails to train new people fast enough, then standards inevitably will drop," warns Mr. John Fraser Robinson, chairman of Amherst Direct Marketing and

one of the "gurus" of the direct marketing industry. "This in turn will lead to disil-lusioned advertisers and the end of the growth track," he adds. Mr Gerry Lanchin, chairman of the Direct Mail Services Stan-

dards Board (DMSSB), also points out that "research shows that the general public still holds direct needs to ensure that every advertiser, especially those new to the medium, understands both the spirit and the letter of the rules. Maintaining the highest standards can only improve

direct mail's public image".
The industry has responded to was set up in the early 1980s as the principle regulatory body and These are issues which will be operates a recognition escheme to dards in direct mail generally. It mailing lists to avoid receiving in many delegates minds at the direct mail companies. To qualexamines samples from recognition recognition recognition and that they comply with the dards in direct mail generally. It mailing lists to avoid receiving examines samples from recognition recognition recognition and the direct mail generally. It mailing lists to avoid receiving in many delegates minds at the direct mail companies. To qualexamines samples from recognition recognition recognition recognition and the direct mail generally. It mailing lists to avoid receiving in mail generally. It mailing lists to avoid receiving in mail generally. It mailing lists to avoid receiving in mail generally. It mailing lists to avoid receiving in mail generally. It mailing lists to avoid receiving in mail generally. It mailing lists to avoid receiving in mail generally it mailing lists to avoid receiving in mail generally. It mailing lists to avoid receiving in mail generally. It mailing lists to avoid receiving in mail generally it mailing lists to avoid receiving in mail generally. It mailing lists to avoid receiving in mail generally it mailing lists to avoid receiving in mailing lists to avoid receiving in mail generally. It mailing lists to avoid receiving in mailing lists to avoid receiv



Direct Marketing

scribe to those codes.

Direct mall agencies are then able to use the Board's symbol on their literature. Some 146 agencies are at present recognised by the Board.

As an inducement for direct one successive to he recognised to the control of the

codes of the Advertising Stan-sumers. The most frequent prob-dards Authority and provide ser-tems were found with prize vices only to clients who sub-draws, where the rules were not scribe to those codes. draws, where the rules were not in accordance with the law, and

mail agencies to be recognised, a on an outer envelope, to give a rebate scheme for postage costs misleading impression of what in incurred is available, financed by smaller print follows after."

where it it is now to be taken. The industry has responded to incurred is available, inhanced by smaller print follows the past seriously, it has to ensure not such concerns in recent years the Post Office. Over the past the Post office. Over the past the post office over the past four years, some £3.5m has been try to improve its image was the introduction of the Mailing Preference in keeping with its commer was set up in the early 1980s as scheme. The Board also monitors stan- sumers to take their names off

name on to mailing lists. Two other regulatory moves in recent months were:

 A code of practice, launched late last year by the Direct Selling Association, covering door-to-door selling and in-bome sales parties;
 The British Direct Marketing Association's new code for televibene selling however the property of the selling how a selling the selling phone selling, brought out earlier this month, to help regulate this

fast-growing sector.
Even with these various attempts to raise standards, there are still moves in the industry to create an umbrella organisation - similar to the Advertising

formed, there is no doubt that the quality of direct marketing will be the key issue in the late 1980s and into the next decade, One of the fundamental prob-

lems with regulating the direct marketing industry is its very diversity. At its simplest, direct marketing, according to the defi-nition coined by Mr Drayton Bird from Ogilvy & Mather Direct, "is any activity which creates and profitably exploits a direct relationship betweeen you and your

than this. According to Mr George Smith, chairman of the

CONTENTS

Case studies: AA; the Army Skustration: File Nacie

industry grouping".
He points out: "We are advertising agencies, mailing houses, computer bureaux, list brokers, operators, charities, postal bar-gain advertisers, the Post Office, British Telecom, telephone mar-keting companies, merchandiseand a whole bost of other func-

Leading specialist direct mar-Albert Varndell, Amherst, DDM Advertising, MSW Rapp and Col-lins, FCB Pasley Wood, Smith Bundy, and HLY-Grey Direct.

Although direct mail is perhaps the best known segment, the industry covers mail order, direct response, door-to-door sell-ing, and telephone marketing, as well as newly-developing areas such as home shopping via com-

The growth of direct mail in recent years has been aided by a number of factors, most notably the entry into the market of new groups of advertisers.

The Government - which has emerged this year as the UK's largest advertiser - has been a leading exponent of direct mailing, either as part of its privatisation campaigns or through the home delivery of leaflets pointing out the dangers of Aids.

But it has been the financial services sector where most director of the Parker Redmile growth has come in recent years. According to the DMSSB analysis of direct mailings in 1986/87, almost a quarter came from financial operators. Even though the Stock Market slump may have hit mailings associated with new issues, typical advertisers in this sector were credit card and insurance companies as well as the sector of the Parker Redmile director of the Parker Redm insurance companies as well as banks and building societies.

encourage further growth in this bands as marketing targets.

is coming from companies such are likely to be aged over 65; as Marks & Spencer and Next while Kevin and Sharon will which are using the databases most likely be under 30.

month by the Direct Mail Sales Bureau, may be more apprecia- with a young family, if they tive of direct mailings than previ-share a surname or address with

last piece of direct mail received. Slightly more than half the survey claimed to have bongbt computer bureaux, list brokers, something by direct mail at some laser printers, envelope makers, stage, with the propensity to buy mail order traders, catalogue higher if there had been previous contact with the sales organisa-

According to the survey, the main benefits of buying by post ment procurement companies, are perceived as price and convenience. The disadvantages are factors such as the nuisance of returning Items and being unable keting agencies include O&M to see the goods before purchase. Direct, Christian Brann, Wunder-Only 2 per cent of the sample man International, Watson Ward survey had ever lost money as a

result of advance payment.

Annther analysis of direct mailings, carried out by CCN Systems which is the information services subsidiary of Great Uni-versal Stores, found that consumers who live in the wealthiest areas of the UK were 40 times more likely to object to receiving direct mail than those living in poorer areas.

Such information is the name of the game in the direct marketing industry of the late 1980s.
"Over the last five years, the computer has revolutionised the ability to collect lifestyle data and make efficient use of this information," says Mr Colin Lloyd, chief executive of the KLP

marketing group.
"Database allows us to exploit new marketing segments, utilise direct marketing chaunels, and market by lifestyle segment," he

Mr David Redmile, managing services sector where most director of the Parker Redmile

company, has come up with a new variation on database marbanks and building societies.

In the business-to-business sector – which accounts for about a CACI believes that first names. third of all direct mailings – the give an indication of age – thus deregulation of the professions is analysis of some 13,000 names one of the factors that will has enabled it to develop four age

Consumers with names such as In consumer mailings, growth Florence or Albert, for example,

they have built up from their cus-tomers to sell further services.

Consumers, according to new research published earlier this

Analysis of combinations of names, moreover, improves the system significantly. "Whilst it can be predicted that Brian or Keith are probably in their 30s Standards Authority - to reguSmith Bundy group, "the awklate all forms of direct marketing and not just direct mail. Whether or not such an organisation is interests rather than a vertical or not such an organisation is interests rather than a vertical or not such an organisation is interests rather than a vertical or not such an organisation is interests rather than a vertical or not such an organisation is interests rather than a vertical or not such an organisation is interests rather than a vertical or not such an organisation is interests rather than a vertical or not such an organisation is interests. ously thought. Wendy or Janet the likelihood is
The survey, of over 600 adults,
found that two-thirds rememCACL The system, not surpris-

SHAREHOLDERS' INCOME 21.4 2.5 33 Watson Ward Albert Varndell 101.6 223 96.4 431 73 490.4 65 38.9 Dec 86 3684 438 20 325.0 17.8 0.4 582 446 30.5 99 35 34 Multicom Mar 86 3599 17936 -12.8 85

In a recent survey by 'Marketing Week', the fastest growing agency in the UK came, not from the glamorous world of 'above the line', but the hard-nosed world of Direct Marketing.

Direct marketing continues to grow at a remarkable rate. Covering mail order, direct mail and 'off-the-page' activities, this micro-sector of the marketing world remains one of the most buoyant.

The strength of this growth was shown recently when Marketing Week magazine reviewed the financial performance of the Top 50 Advertising Agencies in the UK.

Looking at filed accounts, the agency with the highest growth rate of all was specialist direct marketing agency Watson Ward Albert Varndell, showing an 84.8% growth in income. The next highest was Dewe Rogerson with 73.8%.

WWAV had moved from 50th place to 33rd in just one year. (The figures were based largely on 1986 accounts. WWAV's 1987 growth in income was 82%. And 1988 looks promising). Within the field, WWAV is clearly the leading agency by far.

With estimated 1988 billings of £35 million, and a staff of 130, WWAV has, within just seven years, become the dominant force in the direct marketing agency world.

WWAV is rated Number 1 in creative reputation, too.

'Direct Response' magazine recently tallied up all the direct marketing awards. WWAV, with no less than 27 first and 37 runner-up awards from Britain, Europe and America, dominated the field. The next direct marketing agency in the table had less than half WWAV's total.

In the 1987 Royal Mail/BDMA awards, WWAV walked off with 30% of the awards given. One of the judges commented, in a magazine, "WWAV are in a class of their own".

WWAV has developed into a group, as well.

WWAV Computing, in Bristol, is one of the leading

software design houses and computer bureaux in the direct mail field. WWAV North, in Leeds, is the leading specialist direct marketing agency in Northern England. WWAV Group has other companies in the direct mail services field, too.

As a group, we work for a wide range of companies. Grattan, now part of the Next Group, in mail order. IBM in business-to-business. The Salvation Army and NSPCC in fund-raising. Sun Alliance in insurance. Mail on Sunday and Time-Life Books in publishing. TSB Trustcard in the credit card market. Dixons in the retail world.

These are just a few of many major companies WWAV Group works for, and for whom we constantly produce outstanding results.

If you'd like to know more about WWAV Group, please contact John Watson, Managing Director, Rinalda Ward, Deputy Chairman, or Chris Albert, Deputy Chairman.

31 St Petersburgh Place London W2 4LA. Tel: 01 727 3481

WWAY North Ltd. Managing Director: Gordon Brown Jason House, Kerry Hill, Horsforth, Leeds LS18 4JR. Tel: 0532 582911

WWAV Computing Ltd. Managing Director: Angus Jenkin Kings House, Bond Street, Bristol BS1 3AE, Tel: 0272 291171



Code launched to raise standards

both within the industry and with the Office of Fair Trading — are aimed at raising the standards and eliminating some of the "cowboy" operators who have divon telementating cash as the place of work, nor the "cowboy" operators who have divon telementating cash as the place of work, nor the "cowboy" operators who have divon telementating cash as the place of work, nor the "cowboy" operators who have divon telementating cash as the place of work, nor the place substantial orders.

Over a 26-week period, Decident telementation can be applied to place substantial orders. forged out of many discussions not be employed

marketing and prompted the only worry facing the industry. the time and resources of its industry to come up with its own For the second year running, salesforce. "But we were also able to capi-

telephone marketing committee which drew up the guidelines, maintains, however, that "the

He adds: "The reality is that customers," they said. unprofessional cold calling is

businesses to ask telephone marestimates put the amount spent automatically.

keters if they are members of the through agencies last year at Other developments which

statutory curbs.

Since then, telephone marketing award judges have talise on the telephone call by criticised the standard of telephone marketing award judges have talise on the telephone call by criticised the standard of telephone marketing case studies clai offers directly to potential presented to them. Last year the customers," Ms Durby points out appreciate the benefits of direct judges "thought the entries in "it would have been a waste

clearly risen since the mid 1988, there is still a need for tighter controls.

Mr Robert Leiderman, managing director of BT's Telephone achieved better than expected distalon in telemarkating has Marketing Services subsidiary response from its telephone cam-come about as a result of CATI - and chairman of the BDMA's paign to boost sales of motor computer assisted telephone

The judges thought this a thoroughly professional operation "It "Topcat" operation marketed by

fruitless and soon puts a com-pany out of business." marketing sector is difficult to speeds up the processing opera-estimate, given the disparity of tion but also enables a full analy-the companies involved. Some sis of the data to be carried out

any call they are not happy with and they also know when they are dealing with a professional and ethical company," be adds.

The guidelines cover several ators in this sector — maintains that the credibility of telemarket.

But leaves in the sector of ten adults would prefar to the Decisions telemarketing respond to an offer by telephone group — one of the largest oper—rather than using a Freepost coutry areas, including:

But leaves in the sector of ten adults would prefar to the largest oper—rather than using a Freepost coutry the caller's pane.

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AT THE beginning of this month the British Direct Marketing and consumers should not says.

Association came up with a new set of guidelines to cover telephone marketing in the UK.

These guidelines for operators of forged out of many discussions are forged out of many discussions.

Teasonable hours for the recipion of the marketing function, she says.

Decisions was used by KP sales techniques which could be snacks operation, to mount a telephone campaign designed to ensure that salesmen were only

the "cowboy" operators who have given telemarketing such a bad name in recent years.

It was the OFT, in fact, which in 1984 started to investigate some of the abuses of telephone about how intrusive telephone about how intrusive telephone paign enabled KP to ride out a calls can be. Yet this this not the busy sales period by maximising only work facing the industry.

contact with the customer. But this category failed to reflect the not to use the telephone contact while standards of the major telehigh standards that are found in to its full potential — so it was marketing companies have the telephone sector of direct also used to gain valuable feedclearly risen since the mid 1980s, marketing.

interviewing.

was well planned and covered all Independent Software Marketkaters already behave ethically eventualities that could develop place - enables a wide range of and professionally". entered into a computer via a e visual dis

BDMA and subscribe to the new about £50m, although most have helped make telemarketing guidelines.

"That way, they have a clear guide with which they can rebuff amount spent by companies ish Telecom. BT's own research

key areas, including:

Disclosure: the caller's name and purpose of the call should be given at the outset;

Honesty: calls should not be made under the guise of research or a survey if they are really sales calls;

Hours: calls should be made at ators in this sector — maintains that the credibility of telemarket.

BT's services, for example, include the Linkline 0800 number which enables calls from anywhere in the UK to be put selling technique — now they are through free of charge to the calmore prepared to take note of its ler. The Territorial Army, for example, used this service in a pathering market data, for example, used this service in a national campaign to boost recruitment.

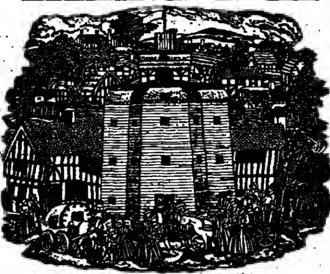
In the husiness-to-business market, BT offers Linkline 0345 which enables calls to be put through for the price of a local call only. Barclaycard, for exam-ple uses the 0345 number for retailers, petrol stations, and restaurants to check credit authoris-

becomes more widely accepted by ple, we helped ICI to companies, it seems likely that nate, and integrate many will set up their own telesales operation." in-house operations. Such a move brings advantages in greater con-

trol and lower costs (after the initial operation has been estab-lished) but also the drawbacks of keeping staff motivated and fully

employed.
"I think there could be a growth in co-operation between aurants to check credit authorisin-house telemarketing departments and external agencies,"
he telephone marketing points out Ms Darby. "For example, we helped ICI train, co-ordinate, and integrate its in-house

Case study: Directional Design



Quality clinches double prize

THE GOLD award at the annual the Curtain Theatre. The Curtain Direct Marketing prize-giving in was near the site of the KL print works and gave Stadden the origbecember was won ny Direc-tional Design for a campaign it prepared for its client KL Litho. At the same ceremony, the sec-ond award, the Silver, was won by Directional Design, too, work-ing for the same client. It is the first time that one company has picked up the awards for both the most outstanding piece of direct marketing and the best creative

KL Lithe is a printing company KL Litho is a printing company which wants to extend its business in the City. It has just acquired, for £500,000, a six-colour machine which it considers ideal for the high quality printing needs of banks, stock brokers, insurance companies, and the like. Since it is difficult to distinguish one wrinting company from guish one printing company from another, KL Litho determined to

make its potential audience sit The marketing company is actually a subsidiary of KL Litho. which must have made things easier. Even so, the campaign, devised by John Stadden, an experienced direct marketer with the Post Office and Ford among his past clients, was a classic of its type. No expense was spared; each of the six shots planned, simed at 2,000 firms, will cost 25,000. The prospective clients, marketing directors or print buyers, were meticulously checked out by name (many were nabbed by combing through the FT's ents. appointments column): there was no buying in of an inaccurate

But what clinched the award for Directional Design was the diate contracts. The most KL quality of the mailing shot. The can hope for is a chance to quote. marketing company decided, not Lt. should now get on the lists. marketing company decided, not It should now get on the lists surprisingly, to show off the when a company wants a special printing expertise of its client by printing job." One incidental benpreparing a history aheet based efficiary has been Directional on the theme of the City being Design. The two-year-old comthe birth place of the theatre. On pany has picked up three new top of this finely produced item, clients, including American which was accompanied by infortential plant HT's new parables. mation about KL's new machine, awards. the recipient could send away for an etching by David Goddard of

inal idea for the campaign. Two months after the first

shot, in September, a second, this time devoted to markets in the City, was sent out. And there are four more to come, including cof-fee houses and the Port of London. The overall concept was that, with the City in a bad way (st least in the autumn), and times changing so rapidly, it was a good idea to remind people of its past history and past achievements. Just to ensure that the inailing shot would be noticed in a very competitive market, it was a constant of a whost artistic claim. of a substantial size: postage

alone cost £1 for each item.
Directional Design was expect ing a take-up of around 10 per cent. In the event, the number of leads was over double that figure. Most of those requesting the prints also agreed to a visit from prints also agreed to a visit from a KL representative — either the chairman or the marketing director called to discuss the company's printing needs. All told, KL Litho has already picked np 10 new accounts and £250,000 worth of business, with the campaign still in its early stages.

In addition, the exercise was backed up by a joint deal with Robert Horne who produced the impressive paper for the mailing shot. Its reps carried a further 1,000 of the history sheets to excite the interest of their cli-Stadden attributes the suc

of the exercise, unsurprisingly, to "getting the audience right". He does not expect too many imme-

Anthony Themcroft

Mail order

Challenging times

ter. Following the much vaunted accounted for some \$2.5hn of launch earlier this year of the retail sales last year.

Next fashion chain's mail order in the UK, Littlewoods and catalogue, Marks & Spencer is the Spencer is the some shopping onic mail order husinass hy experiments — using the Prestel mail order operator is the Little-bringing out a catalogue for its Viewdata service — but the confast growing furnitation and home cept has still to take off in a that include chain stores and restail roots.

what had become rather a stagnant sector. Traditional mail
order sales in the 1980s have
under-performed the hoom in
overall retail spending — slumping from 4 per cent of all retail
urban centres — were prime tarsales in 1980 to just 3.4 per cent
in 1986.

Yet with sales of £3.5bn last

of high street operators such as

At the same time, the tradi-tional operators have responded to changes in the retail sector by greater specialisation of their catket niches in fashion that chains such as Next, Principles, and

high street. Established mail order companies, moreover, have also been joined in the 1980s by a plethora of smaller operators in the direct response sector — selling Grattan, for example, was kets easy, especially since some through the Sunday colour supplements items such as exercise the base for the fashion chain's along the road to developing bicycles and silk shirts to the own expansion plans in the security below the security below to the base for the fashion chain's along the road to developing bicycles and silk shirts to the own expansion plans in the security below to the base for the fashion chain's along the road to developing bicycles and silk shirts to the own expansion plans in the security below the security below to the base for the fashion chain's along the road to developing bicycles and silk shirts to the own expansion plans in the security below to the base for the fashion chain's along the road to developing bicycles and silk shirts to the own expansion plans in the security below to the base for the fashion chain's along the road to developing bicycles and silk shirts to the own expansion plans in the security below to the base for the fashion chain's along the road to developing bicycles and silk shirts to the own expansion plans in the security below to the base for the fashion chain's along the road to developing bicycles and silk shirts to the own expansion plans in the security below to the security below to the base for the fashion chain's along the road to developing bicycles and silk shirts to the own expansion plans in the security below to the security below to the base for the fashion chain's along the road to developing bicycles and silk shirts to the own expansion plans in the security below to the security below to the base for the fashion chain's along the road to developing the road to developing the road to develop the security below to the security be

Yet perhaps the biggest chal-

US where the widespread intro-duction of cable television has Monopolies and Mergers Commis-made it a viable prospect. Trade sion in the mid 1980s from

David Churchill

Yet with sales of £3.5bn last year, the traditional catalogue with a mail order catalogue was a recent report that the main order business is easily the largely a post-war phenomenon operators will find it much harder over the next few years to maintain their growth rate. The market, believes Verdict, is becoming increasingly competing for many years.

The market, believes Verdict, is becoming increasingly competing for many years.

But the industry is charging the those consumers who were tradi-

the early 1970s.

streams specialisation of their carto be intry the recessions of the forward with some optimization to
late 1970s and early 1980s. Morefurther growth in the 1990s comket niches in fashion that chains
over, the growth of credit faciliing from the harmonisation of
such as Next, Principles, and
ties throughout the population the EC internal markets in 1992.
thickness have identified in the
took away one of the prime This move to break down the
advantages of mail order for internal barriers in Europe could many consumers

Not surprisingly, such a trad-ing position has led to changes in the industry. Mail order operator development of Europe-wide mar-

Ret perhaps the higgest challenge to the mail order business
se it now exists comes from the
concept of home shopping by
television.

Teleshopping, as it is called,
bas become hig business in the
England, Marshall Ward, and
in the Paris area,—a home shoptime than the widesquared intoThe content of the market, according away free in some areas by the
Government to encourage use of
telephone services. This has led
to the development of Telemarket
in the Paris area,—a home shoptime than the widesquared into-

ANYTHING NEXT can do, Marks estimates suggest that in the US expanding through a planned & Spencer believes it can do bet teleshopping via cable systems acquisition of rival Empire ter. Following the much-vaunted accounted for some \$2.5hn of stores. In response, GUS invested heavily in new warehouses.

furnishings activities.

The move has been long- Home shopping is by no means

The sheer size of mail order awaited and is clear evidence of a new idea. In the US, the system marketing is shown by Littlethe new mood of dynamism in of selling direct to consumers woods estimates that it receives

But the industry is changing those consumers who were tradi-sector is the issue of consumer fast. Apart from the intervention tionally outside the banking sys-dissatisfaction with their orders research suggests that more Next and Marks, the established operators have been forced into a series of rationalisations and amalgamations culminating in Sears' recent takeover of the Freemans operation.

The series operators such as tem.

During the 1970s and into the than a third of all mail order customers have experienced such appeared gradually throughout the problems. The launch of the Next mail order catalogue, for example, was not as explosive as ple, was dogged by reports of had been anticipated by many in early teething troubles with its

Mail order customers, coming from poorer homes, were the first UK mail order industry can look to be hit hy the recessions of the forward with some optimism to create a mail order market of

tor.

Market leader in catalogue
mail order is Great Universal computer system linked to the

Moi

New technology

Two sides of the coin

Jekyll and Hyde image in direct man, identifies three factors the database management system marketing. On the one hand computers are taking the blame for proliferation of direct marketing and addresses to be stored along the growing numbers of unsolidatabases. These are the ease with other details such as percited phone calls and the with which database software sonal history, occupation, disposure and even decision-packages can now be used; the able income and even decisionalmost every morning. On the fall in the cost of hardware, making capabilities. Although other hand, the same technology including laser printers; and the there are dozens of database is credited with dramatically improving productivity in sales and marketing.

The best examples of both these aspects of computerisation come from the US. In some states, for example, pressure to legislate is rising because telephone subscribers have been usually in the tens or hundreds Factors and Profile from Pip-receiving calls from a computer of thousands – and usually take brook, include features such as which automatically detects the

human voice.

A tape is activated describing the product or service and the computer measures the length of time the subscriber listens before hanging up. The longer the recipient of the call listens, the higher the chance they have of receiving a letter or visit from a salesman. US research has found that

computer systems - although not necessarily of the type described above - do improve productivity. A new report pre-pared for Pulse Train Technology, a computer-aided telemarketing company, found that automated telemarketers made 23 per cent more calls and 29 per cent more sales than their manual counterparts.

Users of computer aided direct mail systems also report benefits such as lower administration, sales and postal costs and higher Direct mail bureau Printronic

found that one of its clients, Newsweek, improved reponses by between 50-70 per cent merely through the use of personalised labels. The direct marketing industry

is welcoming with open arms the opportunities that the falling cost of computerisation is bringing. Four or five years ago it was only the large specialist direct mail bureaux which could keep and maintain large detabases — now maintain large databases - now a personal computer costing 23,000 can be used to keep a list of 20,000 names, analyse transl and select sales prospects. Thou sands of high quality personal-ised letters can then be printed in a day or two using a £2,500 desktop laser printer.
There is concern in the direct

marketing industry about potential abuses. The British Direct Mail Association, for example has a database marketing com-mittee which is mainly concerned with the ethical issues surrounding the growing use of databases which hold information on the public. The committee is concerned

that the aase with which the technology can be installed does not lead to abuse such as infringement of privacy. Mr Rus-

mer chairman of the Direct Mail
Producers Association, believes
that in the long term the wider
use of computers will reduce the
amount of "junk mail" and lead
to much more effective marketing. "The man in the street
assumes that computers are
assumes that computers are
definite interpretable of the produce of the computer assisted telemarketing
systems experience dramatic productivity incorporate and dufficity incorporate and the computer and the computer assisted telemarketing systems experience dramatic productivity incorporate and the computer assisted telemarketing and the computer assisted t assumes that computers are systems experience dramatic pro-being used to generate more and mora mail hut there's a good argument that the opposite is the case. Junk mail is very much in the eye of the beholder — it's telemarketer works through the only junk mail if the intended in the morning. The telemarketer works through the only junk mail if the intended in the morning the list, with engaged or no response

Despite the availability of low cost hardware, computers are not yet being used as widely for direct mail outside the specialist market as might be expecially and letters — one reason why the Droit of Dusiness telephone calls and letters — one reason why the Post Office and British Telecom are so accommodating. The increasing sophistication of database and analysis software will not reduce communication through direct marketing, only enable it to be more closely targeted.

Andrew 1 suprance

The essential component of all

availability of low cost, easy to packages on the market which use statistical and database analcan do all this, the real productivity gains result from the use of

care not to send out badly tar-geted or wrongly addressed sis, and the de-duplication of letters. The availability of low-names. Other facilities such as cost computer systems, however, the ability to recognise the meanis expected to lead to dramatic ing of words such as "deceased" growth in the use of in-house or "retired" or to pre-sort mail-

systems run by the marketing ings according to post codes can departments of both small and large companies.

Mr John Davies, a director of software house Pipbrook, and former chairman of the Direct Mail callst users but slowly spreading but the control marketing is also experienced specific according to the control of the distribution.

recipient isn't interested in the contents. We're all trying to use computers to target much more closely."

Despite the availability of low can be rolled down the screen.

Andrew Lawrence

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Intermail

Databases.

decision makers and to generate qualified sales leads.

The various marketing consul-

tancies involved collaborated to give a unified thems. The sales force, dealer network and hard-ware manufacturers were also fully integrated into the cam-

Mailshots were forwarded to

dealers to send out to decision-makers and an incentive scheme operated to ensure that leads were quickly followed up. Direct

ASKED why his financial company decided to focus its energies exclusively on direct marketing the sales director replied "Because I reach who I really want to, I can measure it, and my competitors don't know what I'm

The direct marketing approach is nne that companies are increasingly adopting in the business to business field, though not necessarily to an exclusive extent, on both sides of the

Drayton Bird, vice chairman of Ogilvy and Mather Direct, explains the reasons why. In essence the buying process has changed, he says. "It is getting more complex." As a result, buyers of increasingly technically sophisticated equipment are confused. "They find it hard to keep up with the fast-changing states of the art."

of the art.

Thirty years ago business to business purchases, whether to buy more carbon paper or type-writers, were relatively simple to

It was frequently just one person who bought everything the company needed in order to function, and they were easy to iso-late and relatively easy to reach by broad-brush advertising cam-

paigns.
Nowadays products are vastly more complex. As well as the consequent "confused buyer" the purchases themselves are far more significant in terms of

money.

Bird illustrates the point with an example of the marketing of a new telephone exchange, now a very competitive market. It is a indicates that people do want more information from their manufacturer of, say, infice equipment selling warranted equipment selling warranted equipment selling warranted equipment selling.

Feona McEwan on business to business marketing

Direct way to inform the confused buyer



approach enables a company to of companies using the medium approach the various decision—as an integrated part of their makers as individuals, says overall communications activity,

the operators who will be con-cerned with how simple it is to has been the extraordinary tunity to build loyalty for his operate.

targeting of key decision makers ment. He can also take the oppor-tunity to build loyalty for his advances in computer technol- brand as a means of improving sales of other products in his

rately targeted direct response advertising to generate quality leads for his dealers. He can also build a valuable

prospect file through couponed very competitive market. It is a indicates that people do want purchase that concerns a number of different employees, all of wbom might have a different motivation for buying, he says.

The chairman, for instance, may be looking for a prestige item. The technical director will be concerned with technical characteristics, the financial matters, and increasingly important, there are indicates that people do want purchase that concerns a number more information from their business direct mail, according to Bird. "Many prefer to get detailed, lengthy, comprehensive information initially on which to base their decisions, rather than approach by a salesman," he sale to generate a sequence of communications — covering with financial matters, and increasingly important, there are the construct a customers. He can involve to gramme of information gathering communications — covering repair and service, extended warranted goods into business markets. From the guarantee cards the company can construct a customers. He can involve sales to generate a sequence of communications — covering repair and service, extended warranted goods into business markets. From the guarantee cards the company can construct a customers. He can involve to get detailed, lengthy, taking every detailed, lengthy, comprehensive information initially on which to base their decisions, rather than approach by a salesman, he sales to generate a sequence of communications — covering repair and service, extended warranted goods into business markets.

One of the higgest leaps for the guarantee cards the company can construct a customers. He can involve to manufacturer of, say, nffice equipment selling warranted goods into business markets. From the guarantee cards the company can construct a customers. One of the higgest leaps for the guarantee cards the communication of his dealers with a two-way programme of information gathering communications. — covering repair and service, extended warrantee cards the communication of his dealers with a two-way progr

3M. The company used press advertising and public relations to create an awareness for its more information to make Tony Cole, managing director range, informed decisions, the buying of Milestone Direct Marketing, a process has become more complex. The direct marketing there is an increasing incidence enables him to produce accumulation in the control of the contro

Case study: Automobile Association

More than motoring cover

and insurance activities, called upon WWAV, the direct marketing company, to develop an approach for selling life insurance among its members.

approach for selling life insurance among its members.

It is a major project, with tremendous potential but, as ever in

In essence, it told AA Protection and Investment Planning member, with the application
forms completed by the computer

DIRECT MARKETING lends itself to the efficiencies of modern technology much more than advertising does, and specialists in the industry soon huld up a database of relevant information about customers and prospective customers. This is especially true of major organisations like the Automobile Association.

Around five years ago the AA realised it could market much members than motoring cover and has considerably built up its revenue by extending its say.

direct marketing, WWAV went for a pilot test, it selected 20,000 both now and in 10 and 20 years of the most sophisticated in the both now and in 10 and 20 years of the most sophisticated in the amendation of the children to the education of the children of

whether you were adequately revenue by extending its services.

One field it has pioneered is insurance and it is now the largest broker in the UK for life insurance on personal lines, that is non-commercial business. Last year AA Protection and Insurance Planning, the life side of the AA's insurance activities, called upon WWAV, the direct marketing company, to develop an approach for selling life insurance considerably built up its revenue by extending its services.

Whether you were adequately proposals, based on quotations from 20 insurance companies, which ware then sent to the method activities and first pow from 20 insurance companies, which ware then sent to the month and offered this free advice service.

It is regarded as a more effective way of sorting out insurance them a range of quotations and gives them a range of quotations and gives them a range of quotations and gives them a range of quotations.

It is regarded as a more effective way of sorting out insurance them are not give way of sorting out insurance them are not give way of sorting out insurance them are not give way of sorting out insurance to members being approached each month and offered this free advice service.

It is regarded as a more effective way of sorting out insurance to them are not give way of sorting out insurance to insurance companies, and gives them a range of quotations and give them a range of quotations and give way of sorting out insurance to the month and offered this free advice service.

It is regarded as a more effective way of sorting out insurance to members being approached each month and offered this free advice service.

It is regarded as a more effective way of sorting out insurance companies, and gives them a range of quotations, and gives them a range of quotations, and give way of sorting a

Anthony Thorncroft

Case study: the Army

Broader search for officers

image of the product and also increases its sales. The Army seems to have devised such an approach with its recent drive

torecruit officers. Its advertisements have always carried a coupon to inspire appli-cants, as a twin track to its wellestablished local recruitment efforts. But it took a visit by a top brass officer to the US to examine the American hard sell approach, plus the appointment of a direct marketing agency, to shift the balance more towards off-the-page recruitment of offi-

In the end, the Army appointed RSVP, the newly-formed direct marketing subsidiary of its long-linked advertising agency, Col-letts, to spearhead its concentration on direct selling. RSVP has worked closely with the agency, using its creative approach built around colonr page advertise-ments in the quality Sundays and dailies, plus a few tricks of the direct marketing world.

35000

tional direct marketing terms.

an information pack within 12 applicant. an information pack within 12 hours. There was an immediate rise in the number of applications, although at the moment approach, it was designed to be the coupon still pulls in more enquiries than the phone. This soon westling with Trivial Purshould change in the near future. All the enquiries are fed into a database allowing RSVP to build up a pool of information about whole malling shot was decidedly where the Army might find likely officers. In the past its search has

THE ULTIMATE marketing new officers, the client is predirected towards local recruitation about every dream is an advertising campaign which both boosts that which might seem low in convening the produced to possible regiments. The country, masterminds the onal direct marketing terms. If the first unit did not appeal, one obvious innovation was to others could be recommended.

And if there was no response to

> where the Army might find likely un-stuffy. Not surprisingly, the officers. In the past its search has concentrated on certain schools expectations, and the approach, and universities. Now it can perfected in the spring of 1987, is exploit a much broader section of now repeated three times each

The information pack consisted of a booklet describing the daily lives of six representative offi- about young people interested in lives of six representative offi-cers, together with a run-through of the opportunities offered by past, the Army found it difficult the Army. There was also an to control the processing of pro-introduction form which clearly spective recruits: local offices Because the advertising is both stated it was not an application were sometimes laws to them-selling the Army, and recruiting form. Respondents were then selves. Now the database, with

operation centrally, passing on respondents who have already add a telephone number for the first enquiry, there was no response to shown some real interest in joining thouse which sent off one more gentle reminder for the improves cost efficiency. It has also generated many more anquiries. The actual response but over 20 per cent of the initial introduction form.

> So impressed is the Army by direct marketing that it is plan-ning to extend the system to its recruitment of servicemen and Territorials. Colletts, too, has been affected by the experience and is adapting its advertising to reflect the information pouring in from the direct marketing. It will take up to 18 months for a recruit to progress from the first tele-phone call to entering Sandhurst so a complete evaluation of the new approach, which started early in 1987, is not yet possible. But all the signs are that it has

> > Antony Thomoroft

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Financial services

Profits in the files

marketing techniques were used on the product pack entitling the purchasers to free product in return for providing details about his operation. These details were then added into the SM database. "Without a significant increase in advertising budget, sales tar-gets were exceeded at a cost per sale of only £4.86," says Cole.

Another example was the Eli Lilley subsidiary, Elanco Products, a major supplier of animal health products. The company had relied almost exclusively on trade press advertising but this had failed to increase market where extinctions and competitions. share satisfactorily and competition was increasing. The company needed to gener

ate high quality leads for both its salesforce and its distributors but was heavily reliant on vets to recommend and supply its prod-ucts. However, there was no UK list of vets who treated cattle and pigs. So a letter explaining how Elanco could save vets' time, and how they could ansure they received only relevant informa-tion, was malled to practice sec-retaries with a simple questionnaire asking details of the practice. Response was a high 80 per cent and a second mailing to non-respondents brought further

A similar exercise was conducted with farmers to establish the use of Elanco's and competitors' products. Those two projects gave strong laads and gave Elanco a comprehensive data-base. The latter made it possible to run highly-targeted and per-sonalised regional promotions based on an individual distributor's territory.

Later the databases enabled the company to promote s new product very effectively - the world's first con-hormonal growth-promoting bolus for cattle

The launch was "a staggering success," according to Cole, reaching sales targets in a matter of weeks rather than months. As a result. Elanco is considering integrating direct marketing techniques into its total market-

year, sending out nearly 200m with existing customers is rap- able care. Customers who do not

widely viewed as a suspect occu-

and now acceptable face – of financial direct marketing stem from the deregulation and prolif-eration of financial services themselves. The consumer has been faced with an increasingly baffling variety and complexity of products; the supplier faced with dannting problems of carv-ing a niche in a highly competi-tive market. Both clearly had something to gain from direct

As major banks and financial institutions got involved, con-sumer confidence in the system has grown, encouraging further expansion. Marketers found that direct response campaigns were not only a cheaper substitute in many cases for salesmen but that their results could be easily and

But the engine which is now beginning to generate further expansion and which, it is con-fidently predicted, will make direct marketing far more impor-tant than brand advertising by the turn of the century, is the computerised database.

Banks, building societies, and insurance companies have awo-ken to the fact that while they have been spending millions on advertising for new customers, Sun Alliance, one of the first big

idly improving. Banks, for

marketing of insurance and line out and win them back again."

Secondary For customer loyalty is not the chance of irritating customers by the crash last October, or the forth-coming tightening of financial advertising regulations under the financial Services Act, seems to be assurance products through off financial services and direct mail.

For customer loyalty is not the chance of irritating customers with "junk mail" abould diminish. For the marketers, the advantages are obvious, not least only 52 per cent even visit their says, of "saving three million postage stamps and a couple of the coupl be putting a brake on the expan-sion of a business which as and loans, it has become natural recently as the early 1970s was to shop around. The average customer still uses fewer than two different services from the same

bank.
The financial institutions are thus becoming more professional in their approach to the market
- and the customer database offers them buge potential advan-

other services. Markets can be precisely targeted; potential customers identified by age, salary, type of residence, family circumstances, and other aspects of life style, to give the marketer s clearer picture of who they are

that the bank's computer system, use of databases is still quite introduced in 1970 to handle the primitive. In theory they could bank'e accounts and transac-fulfil the ultimate aim of marketbank'e accounts and transactions, will soon be used for the greater part in marketing. The TSB has 1.9m individual shareholders. "Half of them are already customers," says Watts. "But the other half is virgin territory for TSB group products. Wa are using direct marketing techniques to reach that new andience." "Infinite aim of marketing to tomake selling superfinitions by knowing and understanding the customer so well that his every need is anticipated. "But too many think that you can sling information in one end and money comes ont of the other," says Bird. Many financial institutions are still not doing enough to improve

THE DIRECT marketing of financial services has been the fastest
growing sector of the business,
increasing over the last three
years at an annual rate of more
than 30 per cent.

On direct mail alone, financial
services now spend some £50m a

or the DIRECT marketing of finanbuge profits have been waiting to
companies into direct marketing
in 1971, says: "We are busy developing our client database. We are
trying to get the right pipelines
to the right people. Our activities
are getting more refined." Sun
dilectiveness of communication
with existing controllers of the business, tomer files.

According to Stuart Heather,
to the right people. Our activities
are getting more refined. "Sun
dilectiveness of communication of its database with considervery sending out nearly 200m.

With existing controllers into direct marketing
in 1971, says: "We are busy developing our client database. We are
trying to get the right pipelines
to the right people. Our activities
are getting more refined." Sun
dilectiveness of communication of its database with considervery sending our client database. We are wish to receive promotional

idly improving. Banks, for instance, have begun to take a direct marketing of the group's services during the current financial year. The budget for the coming year is £13.5m.

Barclays. NatWest, Lloyds and the Royal Bank of Scotland each spent £2m.3m last year on direct mail and inserts in magazines.

Sun Alliance spent the greater part of its £10m advertising and marketing budget on the direct marketing of insurance and life assurance products through off-

advantages are obvious, not least the promise, as Stuart Heather says, of "saving three million postage stamps and a couple of rain forests" by sending mail to a million customars instead of blanketing four million with the

Philip Watts suggests that the advent of cable television and the spread of bome banking will increase the opportunities for marketers to get direct messages to selected customers.

tages.

Computerised information building make some people nerabout a customer, gained from providing one service, can be used to great effect in selling him other services. Markets can be one of the sector's leaders with billings of £40m. "It will enable a bank or any other financial insti-tution to provide people with a much better, personal service." In Britain, so far, Wright says, this process has "only got 30-40

and what they want.

Philip Watts, TSB Group commany ways, adds Drayton Bird, O munications controller, predicts

& M Direct's vice-chairman, the

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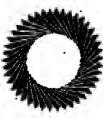
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THE SYSTEM FOR PRODUCTIVITY

EC Farm Ministers agree to reinstate hormone ban

EUROPE'S FARM Ministers yes ment last month the European trade problems could arise with terday agreed to reinstate the Court of Justice upheld the UK's third countries. He also pointed controversial directive banning case but only on the technical out that the problems could arise with the use of hormones in meat progrounds that the Council had he said were safe products was duction despite the strong oppo-infringed its own rules of procesition of Britain's Agriculture dure. Minister, Mr John MacGregor.

The II to one vote was taken yesterday afternoon after the European Commission had resubmitted its original proposal on this subject, which was approved by member states in December

This immediately became the subject of legal action by Britain against the Council of Ministers on the grounds that vital scientific evidence had been ignored, that the wrong legal base had been used for the directive, and that important procedures had important procedures had Britain's strong opposition to the averting the threatened dispute ignored. In a surprise judge ban and argued that serious with the Americans.

ceuticals lobby and from importhe US, which threatened last year to start a trade war if the ban was not lifted.

Notwithstanding speculation that Mr Frans Andriessen, the EC's Farm Commissioner might want to revise some of the details day to re-present the directive

encouraging a rise in black market sales of hormone substances The directive has inspired which were universally deplored fierce criticism from the pharma- and that there could be major difficulties for the intra-commutant EC trading partners, notably nity meat trade. Reports from Italy, he added, showed that cer-tain beef producers had defied

the previous ban. Yesterday's decision means that the ban will be backdated to January 1 · the starting date of the original directive - but the one-year delay for intra Commu nity trade in hormone treated beef will stay. This was agreed Mr MacGregor reiterated last November as a means of

Jamaica settles aluminium row

THE JAMAICAN Government is it would operate the plant at full mining ore to feed the refinery, to buy a 44 per cent stake in the local bauxite mining and refining operations of the Aluminum conditions mutually agreed Akoa and the Government had Company of America, ending a five-week dispute over the company's involvement in the indus-

try. Mr Edward Seaga, Jamaica's Prime Minister and Finance Min-ister, said the purchase will cost \$25.6m, bringing the Government's share in Alcoa's Jamaican operations to 50 per cent. The state already owns 6 per cent of the facilities, which are based on a 750,000 tonnes-a-year refinery. The agreement follows the Government's objections to the reclaimed its refinery on February I, three years after closing the plant because of weak demand for alumina. In July 1985, the refinery was leased from Alcoa and reopened by Clarendon Alumina Productions, a state-

owned company.

An apparent breakdown of negotiations between the Government and Alcoa for the state's purchase of the refinery was followed hy Alcoa's decision to reported.
reclaim the plant from ClarenHe said there had also been don. The Government argued, however, that it had not received capacity will be expanded to Im from Alcoa any assurances that tonnes per year. In addition to

For its part, Alcoa asked the Government to ensure the right conditions for it to pursue its investment – a request taken by industry sources to be a call for reductions in the rates of a con-

For the first 10 days after reclaiming the refinery, Alcoa was forced to feed the plant from stockpiled ore as the Government refused to give it a mining permit. The permit was eventually granted, amid. indications that the company and the Government were close to an agreement to resolve their differences.

his administration had been settled. "This 50-50 arrangement enables us to guarantee that the plant will operate to whatever capacity we destre by allowing us to take over any share of produc-tion which Alcoa does not desire," the Prime Minister

Alcoa and the Government had also differed on the timing of con-struction of a depository for the residue from the refinery. Mr Seaga said the agreement on the state's participation in the plant included provisions for an immediate start to the construction of the depository. He said also the agreement between his administration and Alcoa was "a remark-

The conclusion of the deal will significantly ease concerns in the industry, which is expected to produce 7m tonnes of ore this year, compared with 7.9m tonnes in 1986. The expansion of the refi-In his statement, Mr Seaga said nery and the agreement by Alcoa the dispute between Alcoa and to ship raw ore is expected to be a statement of the statement of to ship raw ore is expected to lead to higher output than had been forecast.

Change during week of tonnes		at F	riday)
Aluminium standard	1,975		
Aluminium high grade	+2,550	to	36,850
Copper	+1,750	to	56,600
Laud	~475	10	20,525
Micioni	+786	to	2.778
Zinc	1.925	10	37.45D
Tin .	-50	la	19,085

Alcan agrees pay pact with unions

ALCAN ALUMINIUM has runs to March 5, 1991.
reached a three-year pay pact with 13 unions representing 6,000 workers at three of its Quebec cent, and 45 per cent. smelters. The plants have capacity of 552,000 tonnes of ingot a

Alcan and the unions have been negotiating since last June, The pact provides for pay

increases of 3 per cent, 3.5 per cent, and 4.5 per cent, for a total of 11 per cent, plus partial indexing to the cost of living. The indexing formula is unchanged. Each worker also gets a C\$1,000 lump sum payment.

Paris show highlights plight of export body

THE ABILITY of British compa nies to mount an effective pres ence at some of the world's major

agricultural shows and so take advantage of big export markets could be seriously undermined if the British Agricultural Export Council goes into liquidation. executives of the organisation this week's Paris agricultural show helieve

The BAEC, which has organ-ised a sizeable British stand at this year's Paris agricultural salon, has a deficit of some £60,000 this year. Unless new sources of finance can be found, Mr Peter Sillars, chief executive, announced last week, the organi-sation will be disbanded at the

Mr John MacGregor, the Brit-ish Minister of Agriculture, visiting the British stand here yester-day, repeated the Government's view that if the industry itself cannot fund BAEC then it must

A subvention from government of £40,000 last year was a oncefor all payment, he said.
Some of the smaller British exhibitors on the BAEC-run stand here this week believe that without the organisation's help they would neither have had the time nor the resources to attend

Mr David Jones, director of Greenfields, an animal breeding company which is exhibiting for the first time, said BAEC's help had been invaluable. He said it will be "a tragedy if it disappears."
BAEC, which represents the

agricultural supply and service industries rather than farmers or producers, reckons the market they cover is worth just over £1bn in British exports a year. The organisation, founded 20 years ago as a government quango, has seen its membership decline from 170 to 120 in three

in the industry.

British exhibitors here are particularly bitter since they believe that other European Community countries organise their export promotion much better, with national pavillions being funded by several trade associations at once, under government aegis.

According to Mr Claude Jean.

years, partly because of recession

the general secretary of the Paris agricultural salon, the show this year has 23 states exhibiting,

James Buxton on one of Scotland's fastest growing industries

Output of farmed salmon leaps

NO ONE who visits the high-lands and islands of Scotland years output has increased by nowadays can fail to be struck by less than was predicted, as pro-the dramatic proliferation of ducers new to the industry made salmon farms. In countless inlets and sealochs from Argyll to the Shetland Islands you see clusters of floating cages in which salmon swim round for two years, as

they are reared for market. Inland is a burgeoning industry rearing salmon in the earlier stages. Plants are springing up to pack fish, make products such as smoked salmon and to produce the feet which the captive salmon consume.

To those responsible for the sconomic development of the highlands and islands, which have a total population of less than 300,000, the salmon farming industry is a superb success story. With its cousins in shellfish and trout it employs, directly and indirectly, about 5,000 people - having been virtually non-existent before 1980.

It is unusually well-suited to the way of life of people in the highlands and islands, and is reversing the decline of population in some areas, keeping open schools that might otherwise have clo

But the reactions of conservationists, seeing once desolate places becoming a little more active, range from the concerned to the apoplectic - and fears remain that the bubble will burst at some stage.

The rate of increase in farmed salmon output is impressive. Last year it reached 12,700 tonnes, dwarfing catches of wild salmon which in recent years, under the pressure of fishing on the high seas, have come down to only about 1,000 tonnes. But this year the Government expects output of farmed salmon nearly to double to 22,000 tonnes, and almost to double again in 1989 to 40,000

New farms are still being set up and existing ones expanded. Furthermore production from Norway, which began farming Atlantic salmon a little earlier than Scotland, is forecast to reach 47,000 tonnes this year and 70,000 tonnes in 1989.

But can the market absorb this vastly increased quantity of fish without a catastrophic drop in

over-optimistic estimates of the future weight of the fish they were rearing. Furthermore the extra salmon on the market may only be replacing white fish, catches of which are still declining as a result of earlier over-fish-

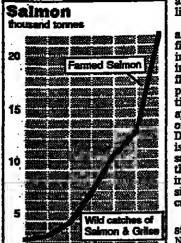
But even if the future output makes less of a dent in the total fish market than might at first appear, more housewives will still have to be persuaded to eat

The Government, which through the Highlands and Islands Development Board has put £20m into salmon farming, has for the past two years been urging the farmers to improve their marketing. Until now, however, the bigger producers, led by Marine Harvest, a Unilever sub-sidiary, have had no difficulty in disposing of their production.

Last month, nevertheless, the Scottlah Salmon Farmers' Marsetting Board was established to advertise and promote the fish in Britain, France and the US. Fish farmers are expected to contrib-ute to the board no less than two per cent of their turnover, currently about £100m a year. It has the delicate task of greatly broadening the market for salmon while ensuring that it remains an up-market product. That means convincing housewives in higher income brackets that salmon is no longer a rarity - farming makes it available fresh all the year round - and that it is easy to cook, as well as being

Salmon farmers, who saw good prices in 1987, seem reasonably optimistic about price levels this year, currently standing at about £2.50 per lb of Atlantic salmon. But the prices are susceptible to factors such as surges of supply from Norwegian producers, currency fluctuations affecting export market markets and the vastly larger output of Pacific on from North America.

Although some salmon growers are predicting a rosy future for the industry newcomers have a number of potential problems



sites on the west coast have already been snapped up, leaving the more exposed inlets where

1982 84

fish cages are more likely to be Diseases, not all of which have cures, can cause severe

• It requires skilful genetic management of the salmon stock matures after one year - called a grilse · is smaller than a salmon and is often difficult to sell profit-

• The price of salmon feed, based in part on soya, fluctuates strongly.

The expansion of the industry as a whole is also challenged by the conservation lobbies, mainly deploring what they see as the invasion hy salmon farmers of wild and remote places. Some yachismen are complaining that fish farming is taking away good

The principal arbiter of the industry is the Crown Estate, which owns the seabed in coastal • Most of the good sheltered secretive procedures leading to perity.

liferation of salmon farms. In 1986 the Crown Estate set up a broad consultation process for fish farm applications which can involve up to about 15 bodies, including local authorities: in its first year of operation about 40 per cent of salmon farm applications were rejected - partly, it appears, as a result of objections on environmental grounds. Last December the Crown Estate issued guidelines for making salmon farms blend better into the landscape and indicated that in certain sensitive areas permission for new farms would be diffi-

But the environmentalists are still worried. Last month the National Trust for Scotland told the Scottish Office that the rapid expansion of fish farming was "having effects of national importance" on landscape, inshore navigation, nature conservation and demands on infrastructure such as roads. It asked the Government to produce national guidelines on fish farming "as a matter of urgency" and set up stricter planning controls.

A body called the Scottish Scenic Trust - which is based in London - wants the Government to declare certain sealochs out of to prevent too many fish matur-ing after only one yeer in the sea pather than two. The fish that rather than two. The fish that planning controls, with a downgrading of the role of the Crown

The Scottish Animal Rights Group this week said it was get-ting an animal rights body in the US to lobby for the banning of Scottish salmon imports because of the "slaughter" by fish farmers of seals and wildfowl.

Protests of this kind enrage both the farmers and the HIDB. which helieves it has found a winner in fish farming that will help revive parts of the highlands after a century-and-a half of devastating decline. At the annual fish farmers' conference in Inverness last month Mr Archie McCunn, a leading member of waters around Britain and has to McCunn, a leading member of give its consent to the mooring of the HIDB, strongly attacked the cages — for which it now charges conservationists, especially those an unpopular commercial rent. hased outside Scotland. Fish Until 1986 the Crown Estate gave farming, he said, was involved in permission with little consulta- conservation – the conservation tion with other bodies and was of communities in order to bring

Far East demand shores up gold coin sales

BY KENNETH GOODING, MINING CORRESPONDENT

The Canadian Mint launched its coins as long ago as 1979 and in recent years has provided them with strong world-wide disbecame the best-selling gold tribution and promotional sup-port, whereas the US Eagle has been available for only two years. coins in the US, last year dropped back to about 1.3m ounces. Preliminary figures show that in 1987 the Maple Leaf coins kept their position as the world leadlapsed, sales of the US Eagle soared to about 300,000 ounces a

month, which put up the ers and accounted for between monthly average for 1987 to about 105,000 ounces. 1.3m and 1.5m troy ounces of gold

The US Eagle, which achieved dropped to 70,000 ounces a sales equivalent to 18m ounces of gold in 1986 and in the process The Canadian Mint also admits

that: "North American and Enropean investors are on the side-ines and probably will stay there until the price of gold goes up". However, the Far Eastern investors traditionally buy gold of all sorts when prices are weak "and, as far as the Maple Leaf is concerned, their hullishness is

decline

City and near Montreal. Another smelter outside Montreal, at Shawinigan, has been shut down since last October because Alcan was in dispute with another union. The new pay pact is expected to lead to a settlement at Shawinigan. Alcan's most modern smelter, Grande Baie, north of Quebec City, with 171,000 tonnes capacters. Alcan's most modern smelter, Grande Baie, north of Quebec City, with 171,000 tonnes capacters. Alcan's most modern smelter, Grande Baie, north of Quebec City, with 171,000 tonnes capacters. Alcan's most modern smelter, Grande Baie, north of Quebec City, with 171,000 tonnes capacters. Alcan's most modern smelter, Grande Baie, north of Quebec City, with 171,000 tonnes capacters. Alcan's most modern smelter, Grande Baie, north of Quebec City, with 171,000 tonnes capacters. Alcan's most modern smelter, Grande Baie, north of Quebec City, with 171,000 tonnes capacters. Alcan's most modern smelter, Grande Baie, north of Quebec City, with 171,000 tonnes capacters. Alcan's most modern smelter, Grande Baie, north of Quebec City, with 171,000 tonnes capacters. and the last contract expired on The smelters accepting the City, with 171,000 tonnes capac-August 31, 1987. The new one pact are located north of Quebec ity, is not unionised. The US Mint says that for the offsetting the drop in sales else-past three months sales have where", it says. compared with 1.5m ounces in VORLD COMMODITIES PRICES (Prices supplied by Amalgamated Metal Trading) New York LONDON MARKETS AM Official Kerb close Open Interest Previous High/Low Previous COCOA PRICES continued their sharp GOLD 100 troy oz.; \$/troy oz. 949 971 990 1008 1036 1085 1085 , 99.7% purity (\$ per tor decline yesterday as strong sterling against the dellar drove the market 1019 1038 1086 1083 1113 431.8 443.2 447.0 452.2 468.9 461.8 460.5 etready bearishly inclined - down to fresh 2170-90 3.426 lote Aluminium,99.5% purity (2 per tonne contract closed at £971 a lonne, down £27. 1275-7 1285-7 1192-3 The International Cocoa Organisation, meeting in London for crisis talks on how 3 months 1183.5-4.5 47,240 lots 1171-2 1193/1181 Tumover:4860 [S318] lots of 10 termes ICCO Indicator prices (SDRs per tonce). Daily price for March 4 : 1284.34 (1248.18) .10 day average for March 7 : 1283.09 [1291.14]. Ring turnover 39,000 tonne Copper, Grade A (£ per tonne) to stop the rot, estimated the surplus for the 1987/88 crop at 81,000 tonnes. But traders, already pessimistic about the outcome of the ICCO talks, are talking of **COFFEE L'Itomie** PLATBRUM 60 troy oz; \$/troy oz. Copper, Standard (2 per torme) 8.43 8.36 8.34 8.31 8.36 8.46 8.46 201/2 208/0 211/4 213/0 218/6 224/0 227/2 199/0 205/0 206/0 210/2 214/2 221/6 226/2 a surplus as high as 150,000 tonnes Cash 1230-40 3 months 1165-75 1215-25 lampening sentiment further. Me 478.1 481.4 485.0 481.6 497.0 482.9 487.0 491.5 496.0 479.5 483.5 488.1 493.6 nickel prices retreated on the LME after Silver (US cents/fine o ouching record highs early in the day. 648-53 646 lots \$10,125, an increase of only \$12.50 a tonne, as profit-taking took hold helped by Lead (2 per turne) Turnover: 5471 (3020) lots of \$ tonnes ICO Indicator prices (US cents per pound) for Merch 4: Comp. dally 1979 118.73 (121.55); 15 day average 121.73 (121.73). Gash 354-5 3 months 340-40.5 305-9 341.5-2 10,620 lots warehouses last week to 2,778 tornes. 308/2 \$12/6 \$16/6 323/4 334/6 338/0 304/0 313/2 317/6 324/4 335/4 341/0 Mar May Jul Sep Dec Mar Close Previous High/Low 61.35 62.21 61.57 59.45 57.95 58.85 61,56 62,05 61,45 59,20 57,00 58,40 Ring turnover 1,158 tonn background of constructive charts and 642.0 648.0 657.0 600.0 676.0 0 Close Zinc (2 per tonne) Cash 511-2 3 months 511-1. Crude of (per barrel FOB) LIVE CATTLE 40,000 lbs; cents/lbs Dubet Brent Slend W.T.I.)1 pm est) \$12.98-3.05y -0.45 \$13.90-4.00z -0.025 \$15.40-5.45y -0.20 71.55 68.05 68.95 65.47 68.45 66.20 70.22 57.87 65.80 64.80 65.65 Close Previous High/Low 189.40 189.00 Gold (fine oz) 5 price € equ 77.00 136.20 146.90 90.60 101.00 187.00 78.00 139.50 136.00 154.00 147.00 92.00 240 \(\begin{align*} 246 \(\begin{align*} 242.297 240.298 79.80 436 4 -436 4 437-437 2 436.00 435.90 159.50 154.00 93.80 101.00 May Aug Oot Dec Mar May 232.00 232.00 232.00 231.00 232.20 233.00 230,50 230,50 230,50 230,50 232,00 234,00 Gas Otl (Soviet) Heavy Fuel Oil Naphtha 232.50 230.00 232.00 231.00 232.50 230.00 101.00 96.60 83.80 87.70 86.40 83.60 83.60 82.50 82.50 82.40 437-437 \2 432\2-434 702-25 98,76 93,95 86,80 84,10 83,70 83,00 82,90 52,00 198.00 137.00 139,00 231.00 232.00 42.40 46.55 46.82 44.97 41.80 42.30 er: 850 (386) lots of 100 toor 42.50 46.78 46.85 45.10 42.00 42.40 0 440 \(\bar{4}\) -454 \(\bar{4}\) 449 \(\bar{4}\) -454 \(\bar{4}\) 440 \(\bar{4}\) -454 \(\bar{4}\) 435 -436 \(25\) -235 \(25\) -234 \(47\) 467 \(\bar{4}\) -103 \(\bar{4}\) 102 \(\bar{4}\) -103 \(\bar{4}\) 102 \(\bar{4}\) -103 \(\bar{4}\) 467 \(\bar{4}\) -503 2474-2504 2474-2504 2474-2504 2454-2474 1234-1234 2454-2464 2454-274 244-274 2454-274 2454-274 2454-274 2454-274 +0.25 -7.00 +3.00 +1.00 SOYABEAN MEAL 2/10000 Turnover: Raw 3205 (3160) lots of 60 tennes; Whit 250 (3824) . Paris-White (FFr per tenne): May 1315, Aug 130 Oct 1315, Dec 1320, May 1333, May 1340 +30 -95 +0.02 CROOK OIL (Light) 42,000 US gatts \$/barrel 613/5 619/4 620/2 630/5 632/0 642/0 548/4 656/0 661/0 Turnover: 61 (-) lots of 100 tonnes 126.00 123.50 124.50 122.00 123.25 121.25 124.25 122.75 15.29 15.23 15.20 15.17 15.18 15.15 15.10 15.20 15.20 15.42 15.46 15.42 15.86 15.82 15.80 16.25 16.25 16.25 Close Previous High/Low 45.375c + 1.150 1801,0 1437.0 1446.5 1436.0 1802.5 123.50 125.00 125.00 +2.97° +35.27° +3.27° 636.00 646.56 057.45 660.80 London daily sugar (raw) \$222 60x London daily sugar (winte) \$234.00x Tata and Lyle export price £231.00 +6.60 +4.50 +2.00 353.50 361.20 309.10 365.00 **BUSINESS** GRANCS Chonne 20.04 20.34 20.67 20.78 20.90 21.01 21.20 21.21 21.40 Turnover: 378 (581) Barley (English feed) Malze (US No. 3 yellow) Wheat (US Dark Northern) £108.50 +1.00Mer Mey Jul Aug Sep Oct Dec Jen Mer Advertising Previous High/Low 105.20 107.55 110.20 101.25 103.30 105.40 107.55 105.15 105.00 Tita At the week's suction there were 28,820 packages on offer including 8,800 packages in the offshore section, reports the Tea Brokers' Association. Brighter Assams sold readily, often 10p or more above valuation but plainer mediums and ouese lost ground. Bangladesh teas came in for fair demand with coloury type firm to dearer, others a little cester. East Africans opened on a healtank note but deman strengthened as the sale progressed and selected brighter teas, together with coloury mediums, closed dearer with others firm assequents. Compatition and frequently advanted, 41.54 41.53 41.13 41.00 41.55 43.60 44.30 43.35 41,75 40.85 40.85 41,30 43.35 44.10 43.10 41.35 40.89 40.85 41.20 43.35 44.00 May Jiy Sep Nov Jan Mar -0.50 -0.50 -0.50 107.25 107.10 110.05 109.76 CORDON METAL EXCHANGE TRADED OPTIONS 101.25 103.30 105.50 107.50 101.25 101.20 103.40 103.30 105.50 107.55 **APPEARS** Alexandratum (99.7%) Calls - Puts May July May July Coconus oil (Phillipp) **EVERY** TUESDAY 103.75 103,50 103,75 103,50 1594 1623 1654 1666 1721 1756 6 105.60 96.25 100.75 103.00 105.00 105,75 98.10 100,60 102,65 104,75 1583 1620 1660 1666 1718 1718 1776 Mar 4 Mar 3 milh ago yr ago 96.25 100.75 103.00 106.00 1601 1608 1608 1701 1750 O **AND** 1734.8 1739.8 1745.0 1548.5 se: December 51-1974 -- 100) SATURDAY 127.09 129.45 130.46 133.15

8 industries

Maria 1

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Pound breaks through DM3.00 | Sterling lifts gilts

to the Bank of England from the the Chancelior, Mr Nigel Lawson, and the Treasury, ahead of next week's Budget.

The Design of the Treasury ahead of next 74.8.

found it too expensive to continue selling the pound, taking D-Marks into the reserves.

The interest rate differential of

about 6 percentage points in favour of London against Frank-furt makes UK assets particularly attractive at a time when there is no sign of losing any gains on the Mr Stephen Hannah, economist

£ IN NEW YORK

Mar.7	Latest		Previous Clase
f Spot	1.8160-1.1 0.34-0.32 1.08-1.0 4.05-3.9	com i o	7795-1,80 34-0,32 ₀ 08-1,04 ₀ 05-3,95 ₀
Forward premio	ns and discon	unis upply to	the US de
STERLI	NG INI	EX	
		Mar.7	Prents
8.30 am 9.00 am	===	74.8 74.8	74.8 74.8

CURRENCY RATES

CURRENCY MOVEMENTS

Mar.7	Rank of England Index	Morgan *** Guaranty Changes %:
Sterling Il S Dollar Canadian Dollar Austran Schilding Berjann Front Dasich Krone Dasich Krone Dasich Krone Gullder Fresch Fronc Lira	76.2 93.9 86.1 140.4 100.6 93.7 149.4 177.2 136.0 71.5 57.0 239.7	-18.7 -12.3 -6.6 +10.8 -4.8 -42.9 +22.9 +23.8 +15.6 -13.3 -19.1

OTHER CURRENCIES

War.7	2	\$
Argentina	11 4130-11-5135	6,2900-6,3400
Asstralia	2.4836-2 4865	1.3700-1.3710
Brazil	185 15-186 25	102.05-102.55
Finland	7,3390-7.3610	4 0450-4 0470
Cresce	238 25-244.65	134 20-136.50
Hang Koog	14 1295-14 1470	7,7975-77995 67.50°
Karanicah)	1342 90-1355 05	757.10-763.30
KorealSch) Komain	0.30100-0.50150	0.27590-0.27605
Luxenboury		35.05-35.15
Mataysia	4 6620-4 6735	2 5730-2 5760
Mexico	4118 90-4140 50	2270 00-2280.00
M. Zealand	2,7180-2,7210	1.4980-1.5005
Saudi Ar	6 B100-6.8155	3.7500-3.7510
Singapore	3 6455-3 6550	2.0120-2.0140
S. At ICON	3.8900-3 9105	2143521465
S. Af (Fn)	5.0365-5.1795	2,7780-2,8570
Taiwan	50 70-50 95	28.60-28.70
UAE	6.6690-6.6750	3,6725-3,6735

MONEY MARKETS

London rates tend to decline

INTEREST RATES fell on the forecast a money market surplus London money market yesterday, of £100m yesterday, but revised after the Bank of England failed this to a shortage of £150m at continue its intervention against noon. sterling at the DM3.00 level.

month interbank fell to 918-812 around 270m. p.c. from 91 91 p.c., but there appeared to be no immediate prospect of any change in UK bank base rates.

The market expects further guidance from next week's UK Budget, but at present regards

UK clearing bank base leading rate 9 per cent from February 2

base rates as likely to stay at the 9 p.c. level, caught between the strength of the pound and fears about high credit growth and eco-

nomic overheating. Credit conditions became a little tighter in London later in the day, after the prospect of a very funds from tax payments later comfortable session, according to

The authorities did not buy As the pound broke through its any bills from the market before recent upward barrier against the hunch, or in the afternoon, but West German D-Mark three-provided late assistance of

Bills maturing in official hands, repayment of late assis-tance and a take-up of Treasury bills drained £397m. This was countered by Exchequer transactions adding £50m to liquidity, fall in the note circulation of £395m; and bank balances above

In Frankfort call money firmed to 3.35 p.c. from 8.30 p.c., in cautious trading ahead of an expec-ted announcement from the Bundesbank today about a securities repurchase agreement ten-

An expected large outflow of comfortable session, according to the early forecast by the Bank of England. Dealers expect money be be in good supply today, resulting in a possible credit surgicular in a possible credit s tight, by not fully replacing the

FINANCIAL FUTURES

Estimated Volume 141(240) Providus day's open int. 4233(4114

st, Vol. (Inc. figs, not showed 18506(12951) restons day's open lat, 35168(37260)

THREE MONTH EURICOLLAR

CURRENCY FUTURES

LIFFE-STERLING 525,600 5 per E

ed Volume 55(33) MINDS PRINCIPLE EXCLUSION

DATE - CTEM-THE SI per L .

Lent 3-mil 6-mil 12-m 1205 12097 12009 170

STERLING WAS hammed in on all sides and the authorities had no option but to make pitched the policy of the strong except from the consequences of high wage settlement of the strong except in the consequences of high wage settlement of the strong except in the consequences of high wage settlement of the strong except from the consequences of high wage settlement of the co DM2.9975, and climbed to fixed at DM1.6860, or when the FF710.32 from FF710.1425; to pound was fixed at DM3.0320, SF72.5175 from SF72.4825; and to Y233.00 from Y228.50. It also day. Sterling's fixing was the advanced 4.45 cents to \$1.8180 day. Sterling's fixing was the highest since September 15, 1986. On the other hand the D-Mark advanced against the Italian lira, which is the weekent was possible to the sterling of the sterl

the Chancellor, Mr Nigel Lawson, and the Treasury, ahead of next week's Budget.

Dealers feel the Bank of from 94.5 as demand for stering land had run out of room to manoeuvre on interest rates, and found it too expensive to confactors and the dollar was on the dollar was on the day.

2012	and the	COURT	AS O	n tne	OA;	у.
MS I	EUROPE/	AN CU	RREN	CY U	HIT	RATE

1	En- unitral rates	Currency Incomess Injeriest, Eco Mar. 7	% clarities from carried casts	% charge adjusted for divergence	Distrigence (Limit %
elgtan Franc untsh Krone rusan D-Mark esch Franc stat Gelider sh Post	42,4882 7,85212 2,05853 6,90403 2,31943 0,768411 1461,58	43.26/13 7.90357 2.06/60 7.00703 2.32/92 0.775382 1.525.69	+1.91 +0.66 +0.54 +1.49 +0.15 +0.91 +2.87	400 400 400 400 400 400	±1.5944 ±1.5404 ±1.6761 ±1.3674 ±1.5012 ±1.8684

Creads 2.2250-2.2840 3.361-3.43	1.8180-L8040 · 2.2830-2.2840	0.31-0.28com	1.95	0.91-0.86	
retard	3,42,3,43 63,9-13,64 1,1395-1,1465 1,049-3,05 248,80-249,30 2248-2249 1,77-11,487 2312-10,329 1,224-10,329 224-233-2 2312-233-2 2313-2338 2,534-2,524	0.094-0.02cpm 14-14cpm 12-10cpm 13-pm-4-medic 13-0-12-dds 14-14-ph-s- 139-12-dds 14-14-ph-s- 139-12-dds 14-14-ph-s- 14-14-pm-11-dds 14-14-pm-1	157 475 475 475 475 475 475 475 475 475 4	0.19-0.00m 41y-3.5pm 21y-3.5pm 21y-3.5pm 21y-3.5pm 321-422-6s 5-12-6s 13y-13-6s 3y-23-5m 21-24-5m 21-24-5m 21-24-5m 21-24-5m 21-24-5m 21-24-5m	19 02 46 25 03 07 55 59 14 15 47 47 47 70

Mar.7	Day's spread	Close	. One march	P.3.	· Months ·	1
UKT	1,7740-1,0195	1.6180-1.8190	0.31-0.20-	145	0.91-0.86em	1.9
freisedt	1.5760-1.5940	15930-15940	0.11-0.06cpm	346	. 0.48 0.30m	مَدَ
Catada	1.2524-1.2565	12555-12565	0.17-0.20mbs	177	0.53-0.56db	.17
Methertands	1.8800-1.9005	1.8825-1.8835	0.46-0.46cm	298	1.33-1.30	27
Belgium	35.00-35.40	35.05-35.15	3.50/2.50	0.65	7.00-4.00em	1. 0.2
Denmark	4.394-4.464	6.40-6.40-4	0.70-1.40nmils	1%	2453.350	-16
W. Cermany	1.6735-1.6935	1.6760 L6770	0.53-0.50pfpm	317	1.47-1.42000	
Pertural	137-1374	137-137-1	90-120cm	913	266-31004	34
Special management	112.33-113.50	112.33-112.65	37-47eda	446	113-1236	- 41
KAN THE PARTY NAMED IN	1235-1248	1236 4-12364	3.50-4.000redis	.342	11.50-12 500s	-12
Moreay	6.31-6.37	6314314	3.85-4.20greds	-7.62	11.40-11.00ds	-34
F/2800	567-572%	5674-5.674	0.75-0.45ms	4.14	145-1 50dB	1 3 6
Similar	5.965-A.004	5.954-5.954	1.20-1.50ora0s	2.65	3.65-4.050%	35
13090	128.00-128.85	.128.05-128.15	0,30-0.27	214	- 0.65-0.80pm	25
testrib-	-11.78-11.88	.11.781-11.73	130-3.00mmm	U	A.70-7.70cm	27
	1.3815-1-4020	1.3635-1.3845	0.64-0.64cpm	. 50	177-L72m	50

EURO-CURRENCY INTEREST RATES											
Mar.7	Short temp	7 Days potice	One Morth	Tares Months	. Six Mestis	.0= 0=					
Scorling	84-74 64-84 34-84 34-34 14-14 34-34 77-74 114-94 64-6 64-34 34-34	01.4 51.40 51.40 51.40 51.40 61.40 5	100 A	101-101- 101-101- 101-101- 101-101-	STATE OF THE PARTY	THE PARTY OF					

51-55 68-62 61-61 74-51 72-72 Long term Enrodollors: two years 7%-7%, per cost; three years 8%-8 per cost; flow years 8%-8% per cost; flow years 9%-8% per cost; flow years 9%-9% per cost **EXCHANGE CROSS RATES**

Mar.7		\$.	DNI	Yes	FPt.	S Fr.	W FI.	- Ura	C S	O Pt.
ţ	0.550	1.819	3,048 1,676	231.0 128.1	10.32 5.673	2.518 1.384	3423	2249 1236	2.284 1.254	61.85 36.10
OM YEM	0.328 4.252	0.597 7.807	13.06	76.44 1000.	3.3% 44.29	10.61	1,123	737.9 9652	0.749 9.803	21.95 274.0
F fr. S fz.	0.969 0.397	1.763 0.722	2953 1200	225.8 92.53	10,	2440	翌	2179 593.2	2.213 0.907	61.87 25.80
N FI. Lira	0.272	0.531 0.809	0.890	68.07 103.6	3.015	6.7% 1.120	1 522	657.9 1000.	1.015	12.55
CS	0.438	0.796	1395	302.0	4.518	1.102	1499	984.7	1_	27.96

Yes per 1,000; French Fr. per 10; Lira per 1,000; Belgian Ft. per 100.

TL00 a.m. Mer.7) 3 mar	ths US dollars	6 shoulds	US Dollars
bld 6%	offer 63	\$0 DE	ofter
of roles are the arthmetic uses arted to five reserving builds a leadscire Back, Gampar Matio	as regarded to the named.	ne-statements, of the bid an	offered rates for S

MONEY RATES NEW YORK 74.74

LONDON MONEY RATES

74

_	LIFFE STIMBOULAR OPTIONS Sim points of 180%					LIFFE SE				
	Surine Price 9225 9225 9275 9300 9325 9350 9375	Calls age Mar SS SS SS 11	Jun 772 533 322 13 8 4	Pots-set Mar 0 0 1 3 18 42 67	100 16 24 25 51 71 92	Surice Price 9000 9025 9050 9073 9100 9125 9150	Calls-02 Mar 91 66 42 21 5	Jon 89 67 49 34 22 23	Pets-set Mar 0 0 1 5 14 25 59	Julestern Julest
	Estimand Previous d	echame to	ed, Calls 2 et. Calls 3	195 Pes 5	1770	Estament Previous d	volume to lay's open i	tal, Calls ! Int. Calls ?	75 Pets 1 678 Pets	315 5119
	Previous d	ay's open	er Calls 3	544 Pris		Previous d	ay's open l	net. Calls 7	678 Puts	51

stimuted volume total, Calls 20 Pots 200 reviews day's open Int. Calls 336 Pats 657

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FT 30 FTSE 100 WALL STREET

Mar. 1460/1478 -5 | Mar. 1822/1834 -5 | Mar. 2049/2063 -1

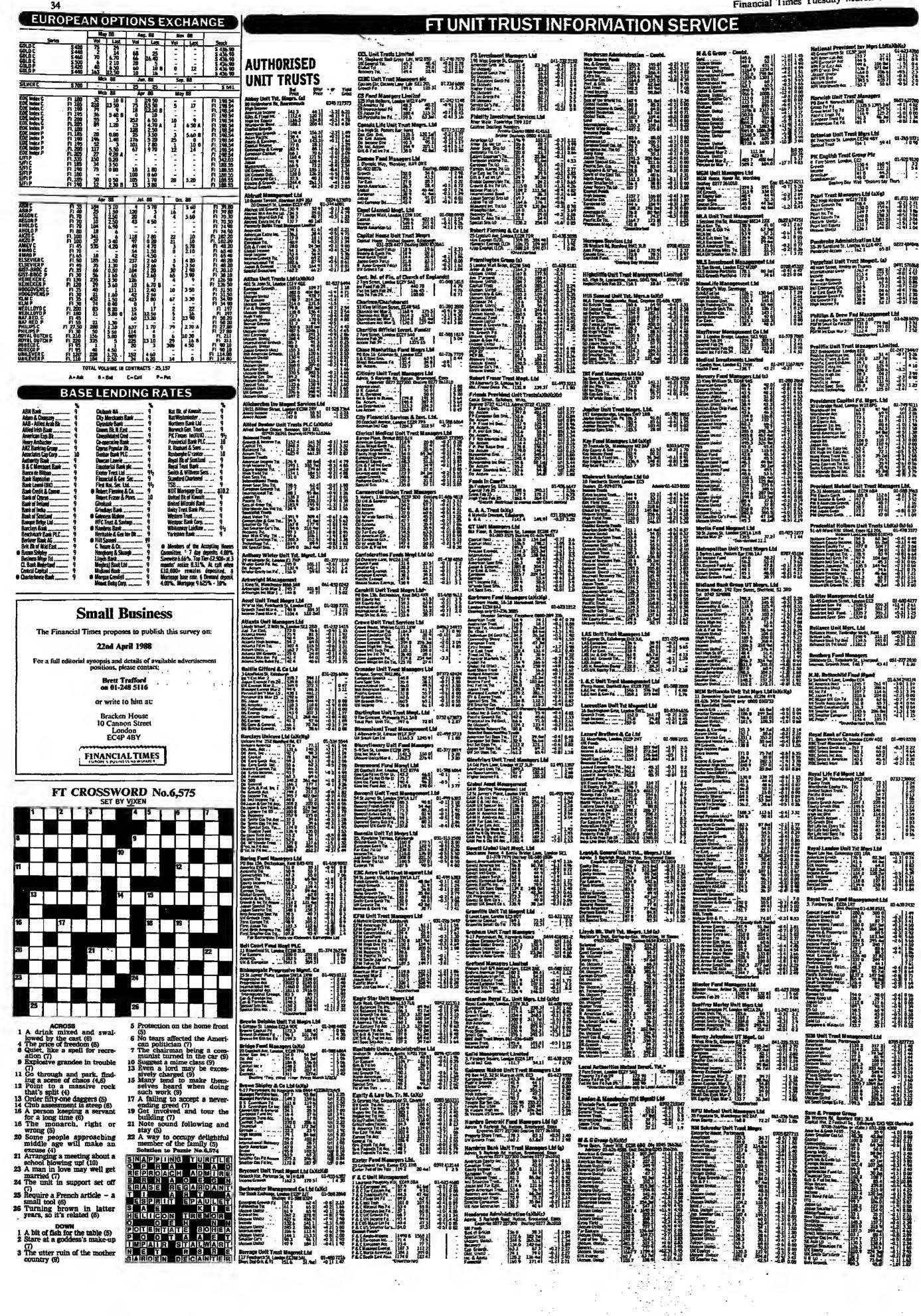
Jun. 1482/1494 -5 | Jun. 1842/1854 -5 | Jun. 2058/2072 -4 Prices taken at 5pm and change is from previous close at 9pm

EWORLD VALUE OF THE POUND

om: (A) approximate rate, no direct quotation evallable; (F) free rate; (P) based on US dollar partites and poing sterling-dollar rates; (f) tourist rate; (Bas) haste rate; (rd) bankers rate; (cm) connecretal rate; (ch) convertible rate; (fil) financial rate; (cc) exchange certificate rate; (cc) non commercial rate; (nom) nominal; (o order lied rate; (cc) controlled rate.

	COUNTRY	CURRENCY	VALUE OF E STERLING	COUNTRY	CURRENCY	VALUE OF £ STERLING	COUNTRY	CURRENCY	VALUE OF
	Afghanistan	Afghani Lek	99.25 10.2315	Gibrattar	Cibraltar E	1.00	Paraguay	Guarani	(580.96 1599.45
	Altanta	Dipar	9.3614	Greenland	Drachma Danish Krone	241.45 11.6425			CLSTYAG
Pres.	Lange of company of the same o	Franch Franc	r10.32	Grenada	E. Caribbens S	6.85			59.91
Prev. 3-20 2-14	Andorra	French Franc Spenish Peseta	(204.15	Geodaloupe	Local Franc	10.32	Peru	lot	{81.69
1.14	Angota	Kwanze	33,3035	Cdam	U.S. \$	1,B185	PBU :	MIC	130.53
	Arthur	E. Carribenes	4.85	Gesteresta	Quetzal	(1.8185 (4.65660) \$39.25 1168.38			130.33
	Aruba	Florio	11 4633 3 2175 2 4850	Spines	Franc	\$39.25	Philippines	Peso	37.10
	AUSU U III	Ameters/San P	2.4850	Eulpen-Bissau	Peso	1168.38	Pitcaino Islands	r£ Sterling	1.00
•	Austria	Schilling	21,365	Guyana	Gayanese \$	16.31		IN.Z. Dollar	2.7195 677.22
_	Azores	Portuguese Escusio	247.30	Kalti	Goude	8.9875	Portugal		249 30
	Baharinas	Rabarra S	1.8185	Honder as	Lerpoka	3.6310	Puerto Rico	Escudo U.S. S	249.30 1.8185
7690	Balearic Islands	Baterna S Dissur	0.6690 204,15	Hong Kong	Lempka H.K. S	14_1383 \$	Quiar	Riyal	6.4610
7690	Balearic Islands	Special Pestia	204,15	Hungary	Forlet,	85.0375			
7590 7485	DEFT AND DE COMMENTS	Take Barbados S	55.00 3.6153	lest and	Icelandic Kroon	70.05	Regulon Isle de la	French Franc Leu (c)	10.32 15.24 131.42
(463	Barbados		563 85(cm)	lociand	Indian Rupee	24 00	Romania Rwanda	Franc	131 42
•	Belgium	Belgian Franc	763.85(NL)	indonesia	Indian Rapee Roplah	2956.50	Note that the second se		
	Belize	B S	3.5950 516.00	TED ILLIANDER Del petrone	Rial	120.35 0.5450	St Christopher	E. Cartibbean S	4.85
_	1 00017	C.F.A. Franc	516.00 1.8185	Irisi Republic	Iraqi Dinar	0.5450	St Helena	Pound	1.00 4.85 10.32
<u>:</u>	Bernanda	Bermadian \$	24.00	Seach	Pont Shelod	1.1400 2.81	St Lucia	E. Caribbean S French Franc	10 32
-	Soltria	Bollyiago	3.9725	Maly	Lira	2248.50	St VIRCENT	E. Carlobean S	4.85
7848	Bolsmana	Pela	3.02	hory Coast	C.F.A. Franc	\$16.00	San Marino	Hallan Lira	224R 50
_	Brazil British Virgia blases	Cruzado U.S.5	185.70		TRUIT ICEN DOURL	9.78	Sao Tome & Princip OR.	Dobra	132.06
_	Sriush Virgia blases	BrunelS	3.6503	Japan	Yen Jordaniae Dissur	233.00 0.5995	Sapdi Arabia	C.F.A. Franc	516.00
Prov.	Brute!	PLA STATES	1.4700		Juliania Dino		Sevenies	Rupee	9.33
7730	Beigaria Berkino Faso	C.F.A Franc	516.00	Kampachea	Riel	181.85	Seychelles	Leone Dollar	38.90
7010	DATTER	Cyart	11.0236	Kenye Kiribati Kores (north)	Kenya Shiiling Australian S	30.10 2.4850	Solomon Islands	Dollar	3.6503
(230 (230)	Burandi	Burundi Franc	230.10	Korea (marth)	Woo	1.6897	Somali Republic	Dollar Shilling (d)	179.75
	Carner007	C.F.A Franc	516.00	Kores (south)	Wos	1348.98			(3.9003(cm)
	Careda	Canadian S	2.2835 204.15 131.97	Kentalt	Kirwaiti Dinar	0.5013	South Africa	Rand	(3.9003(cm) (5.1080(fa)
		Spanish Peseta	204.15			(22.22	Spain Spanish Ports in N Africa	Peseta	204.15
	Cape Verde Islands Cayman Islands Cent.Afr. Republic Criad Carle	Canadian S Spenish Peseta Cape V Escodo Cayman Isles S C.F.A. Franc C.F.A. Franc C.F.A. Franc C.F.A. Peso Recording Years Out Peso Recording Years Out Peso	1.5009	L305	New Kip Lebacese &	629_13 712.04 3.9003 1.8185	Spanish Ports in N Atrica	Spanish Peseta Rugee	204.15 204.15 55.20
	Care Afr Beautile	C.F.A. France	516.00	Lebanon	Majuti	3.9003	Sri Lanka Sedan Republic	Pound (a)(i)	0.0888
_	Chad	C.F.A. France	516.00 443.98 6.5769 498.32	Liberta	Liberian S	1.8185	Serinam	GEHDET	0.0888 3.2085 3.9003
	Ctrile	Chifean Peso	443.98	Liecheustels	Liberian S Libyan Dinar	0.5071	Serinam	Litangeni .	3.9003
_	Colorella	Renntlabi Year	6.5769	Liecherstels	Seriss Franc Lucenthourg Franc	2.5175	Sweden	Kroma	10 83
٠.	Common Islands		\$16.00	Ligatenthourg	Commonly Franc	65.65	Switterland	Franc Pound (a)	2.5175 53.9250
	Comoro Islands	C.F.A. Franc	516.00	Macao	Pataca	14.44	127620	Dollar (o)	50 8250
	Costa Rica	Colou	132.03	Macao Madeira Malagasy Republic Malayai	Portuguese Escudo M.G. Franc	249.30 2016.25 4.4480	Tanzania	Shilling	164.30
	CUE	Carban Peso	0.81	Malagasy Republic	M.G. Franc Kwacha	4.4490	Theiland	Baht, C.F.A. Franc	44.20
	Carries	Cypres £		Malanta	Pinonit.	4.667B	Tooga islands	Paramea	516.00 2.4850
	a And the		9.20(com)	Maidhe Islands	Ringgit. Rufflyra C.F.A. Franc	4.6678 18.1548	Trinidad & Tobago	Pa'anga Dollar	6.4710
	Czechesionakis	Korsen	{16.01(nc)		C.F.A. Franc	516.00 0.5890	Tunisia	Dinar	1.4561
	D	Danish Kroser	11.6425	Martinique	Maitese & Local Franc	10.32	Turkey Turks & Calcos Islands	Lira US \$	2100.64 1.8185
	Olibout Republic of	Oliborti Franc	315.00	Marritania	Ougelyz	130.16	Turalt	Australian Dollar	2.4850
Q {	Openinica	E. Carribeaus	4.85	Macritles	Mauritian Ropes	22 75	Uganda	New Shilling (I)	108.03
?	Dominica Republic	Dominican Peso	8.9246	Mexico	Mexican Peso	(4129.70(f) (4056.96(c) 10.32 10.32	Uganda United Arab Emirates	OJrham	6.6720
						1,4056,96(2)	United States	US Dollar	1.8185
	Emader	Sucre	(443.89(a) (654.49(f)	Kingleton moreowenesses	Local Franc French Franc	10.32	USSR	Peso (m)	556.45 1.0648 187.00
			4.0145	Monaco	Toroit	6.0315	Vanestu	Rouble Vatu	1.0045
4	El Salvador	Egyptian £	9.0775	MORISETIAL	Togrik E. Caribbean S	4.85	Vaticas	Lira	2248.50
105	Equatorial Guines	C.F.A. France	516.00	Morecco	Dirham	14.14			
_	Ethiopia	C.F.A. Franc Ethiopian Birr	3,7048	Mozambique	Metical	816.96			26.06(4) {13.48(5)
						0.000	Venezuela	Bolivar (o)	{ 13.48(5)
	Falkland Islands	Falklands £	1.55	tamble	S.A. Rand Australian S	3.9003			252.10(b)
	Farne triands	Danish Kroner	24343	Neera Islands	Negalese Rupee	2.4850 37,75	Vietnam	Dong (e)	661.48
ì	Figiand	Markin	7 3500	Neppel	Culider	3.4250	Vietnam Virgin Islands (British)	Dong (a) US S	1.8185
	France		11.6425 2.6343 7.3500 10.32	Netherlands	Amilitan Gullder	3.2175	Virgin islands (US)	US \$ US \$	1.8185
-	French C'ty to Africa	Franc C.F.A. Franc	576.00	New Zestand	N.Z. S	2.7195			
	France French C'ty in Africa French Gelanz French Pacific Islands	Local Franc C.F.P. Franc	10.32 180.00	Niger Republic	Cordoba	18.15011	Western Samo≢	Tala	3.5562
	French Partific Islands	G.F.P. Franc	180.00	Riger Republic	C.F.A. Franc Naira	516.00 7.7700(a)	Venne	Rial	18.15
	Gabon	C.F.A. Franc	516.00	Kongry	Norweglan Krone	11.48	Yemen PDR	O luar	0.6165
	Gambia	Dalasi	13.0702	Oman Suitastate of	Rial Omani	0.6835		Olnar	2399 90
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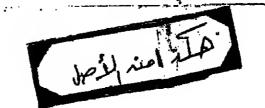
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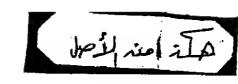
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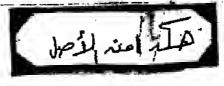


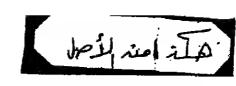
FOREIGN BONDS & RAILS **BRITISH FUNDS** BRITISH FUNDS—Contd 0481 24983 9 % 2.41 5 14 6 30 13.45 13.45 13.45 13.45 13.45 13.45 13.45 atust Sensis: Ememberg. 020 352 21902 1987/88 High Lev 1947/88 High Lev 101 H 89 % Cow 9pt Ln 2011. 69 % 59 % (Cow 9pt Ln 2011. 99 % 79 % (Trues, 7 kpt 2012-158). 1340/116 % Each 12pt 13-17. PFC Internati Portfolio Fe May! Ltd | Semantes| | Sema **AMERICANS** MPH (14) | 1987 | 188 | 1987 | 239 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 24 619 144 607 109 600 166 600 166 619 031 607 056 1194-1108H Trees 2pt R = 90(333.9) 118 td + 2 0 6.7 2.05 1013-93-7 bn. 2pt *2pt (285.8) 100 3gt # + 1 1.88 2.54 1.88 2.54 1.89 1314-119-6 bn. 2pt *2pt (285.8) 100 3gt # + 1 1.88 2.54 1.89 119-6 bn. 2pt *2pt (285.8) 110 3gt # + 1 1.29 3.56 3.56 1.84 111-9 4-1 ph. 2pt *2pt (282.8) 110 3gt # + 1 3.69 3.92 1.84 110 94 ph. 2pt (282.8) 110 2pt *2pt (282.8) 110 2pt (282.8) 110 2p AND STATE OF THE S (L) (2) M & G Island For | Silia | Sili 30 20 211186 12 * 4 * 4 * Bekkielem Sted St. 20 * 562* 80- Past Jake, Inc. * 7 * 13 * 80 water Inc. 27 * 1 * 13 * 80 water Inc. 27 * 1 * 13 * 80 water Inc. 21 * 1 * 12 * 80 water Inc. 10 * 5 * 6 * 80 masswick 75 c. 25 * 10 * 6 * 20 feet Inc. 25 * 10 * 6 * 20 feet Inc. 25 * 10 * 6 * 20 feet Inc. 25 * 11 * 6 * 6 feet Inc. 25 * 11 * 6 * 6 feet Inc. 25 * 11 * 6 * 6 feet Inc. 25 * 11 * 6 * 6 feet Inc. 25 * 11 * 6 * 6 feet Inc. 25 * 13 * 10 feet Inc. 25 * 10 feet Inc. 26 * 10 feet Inc. 27 * 10 feet Inc. 28 * 10 feet Inc. 29 * 10 feet Inc. 20 feet Inc. 21 * 10 feet Inc. 22 * 15 * 10 feet Inc. 23 * 10 feet Inc. 24 * 15 * 10 feet Inc. 25 * 10 feet Inc. 26 * 10 feet Inc. 27 * 10 feet Inc. 28 * 10 feet Inc. 29 * 10 feet Inc. 20 * 10 feet Inc. 20 * 10 feet Inc. 20 * 10 feet Inc. 21 * 10 feet Inc. 22 * 15 * 10 feet Inc. 23 * 10 feet Inc. 24 * 15 * 10 feet Inc. 25 * 10 feet Inc. 26 * 10 feet Inc. 27 * 10 feet Inc. 28 * 10 feet Inc. 29 * 10 feet Inc. 20 * 10 feet Inc. 21 * 10 feet Inc. 22 * 15 feet Inc. 23 * 10 feet Inc. 24 * 15 feet Inc. 25 * 10 feet Inc. 26 * 10 feet Inc. 27 * 10 feet Inc. 28 * 10 feet Inc. 29 * 10 feet Inc. 20 * 10 feet Inc. INT. BANK AND O'SEAS Man International Fatures eticosi Lisi **GOVT STERLING ISSUES** Continuere Funct Managers Life. Agents Gartoure House, 16-18 Monagest Street, Goldon ECSS BAJ. 10721 + 1 1032 1021 1033 + 1 7.89 9.84 129 + 1 1034 10.00 129 + 1 1014 10.00 129 + 1 1014 10.00 129 + 1 1014 10.00 129 + 1 1049 9.70 125 + 1 1049 9.80 98 + 1 1049 9.80 98 + 1 1041 1051 129 + 1 1041 1.75 1302 133 - 1 1041 10.00 dures Hanever Confunds **CORPORATION LOANS** 1091 103 | Bratisman 131 pc 1991 119 | 1001 | 10. 111 pc 2012 | 951 | 82 lp 116 64 pc 1990 - 92 | 132 lp 115 | Leets 131 pc 2006 | 132 lp 115 | Leets 131 pc 2006 | 132 lp 115 | Leets 131 pc 1991 | 132 lp 115 | 10. 3 pc 20 Aft. | 1031 lp 115 1051₂ +1 12.80 9.87 11033 +5 10.39 10.29 913₄ st 17.36 9.30 126 11.55 10.97 38ad 11.57 -72b 10.20 93 +1 7.2b 10.20 10.55 10.40 **COMMONWEALTH &** AFRICAN LOANS 234 134 pt Hoosards 441 234 pt T Corps. \$1. 235 55p bloop Strangt Syn Le 234 174 pt T Corps. \$1. 235 55p bloop Strangt Syn Le 234 174 pt 18 Lockbred Crps. \$1. 24 59 till min. \$3.15... 35 till bloop Star lads \$1. 25 till bloop Star lads \$1. 25 till bloop Star lads \$1. 25 till bloop Star lads \$1. 27 de 27 Love \$50c... \$2 till bloop Star lads \$1. 25 till bloop Star l LOANS unting is an extended (a contribution of the c oni GENERALI SAA **Over Fifteen Years** | Over Fifteen Years | 1368 | 1198 | Trees. 134 pc 2000-03. | 1114 | 965 | Trees. 134 pc 2000-03. | 1164 a = 43 | 9.36 | 9.16 | 1228 | 1065 | Trees. 114 pc 2001-04. | 1154 pc 2004-05 | 1167 pc 2004 | 1 61-091391 \$135.79 \$178.65 \$12.55 \$111.69 \$12.69,16 \$111.69 \$146.69 \$166.69 \$1 21 Z Rusier Oats 55. 24 RJR Nasiero Ist. 21 Res My Corpa 55. 25 Reckwell Int. 52. 164 Sara Lee \$11/3. 24 Saral (8, F.) \$2. 24 Saral (8, F.) \$3. Guantum Fd NV Coracce 117 Bhitogophie, London, EC2NSTD. World Trade Centre, Applicated terals, Olis Res. Slors. F4. Inc., lox 525, St Heller, June 1811-68, 11.92-61 Warking Investment Manageme. - Courtel. Schraders Asia Limited Star Floor, 2 Exchange Se, Hong Keng, Adan Floor, 3 Exchange Se, Adan Long Andrews File Se, Adan Long Andrews File Se, Adan Lond Floor, 3 Exchange Se, Adan Long Floor, 3 Exchange Se, Adan Lond Floor, 3 Exchange Se, Adan | Solution | Company | Com Money Market Bank Accounts Great Net CAR Let Commander List Ward Fluence Co Link 114 fluence St. London EC, 7AE 9,281 Or 114 fluence St. London EC, 7AE 91,405 Ogs. 114 fluence St. London EC, 7AE 91,405 Ogs. 115 fluence St. London EC, 7AE 91,405 Ogs. 116 fluence St. London EC, 7AE 91,405 Ogs. 117 fluence St. London EC, 7AE 91,405 Ogs. 118 fluence St. London EC, 7AE C. Logver, Statik U.S. U.T. Effiges. 10 Sen 19-5. S. Netter. 10 63 10.64 | 0534 2754.1 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 | 10.6 "Linguis Bank General Suritzerland 1 Pear Rel-Air (H-1/21) General 31 Christophing 1 Pear Rel-Air (H-1/21) General 31 Christophing 1 Pear Rel-Air (H-1/21) General 31 Christophing 1 Pear Suritser (H-1/21) General 32 Christophing 1 Pear Suritser (H-1/21) General 31 Christophing 2 Pear Suritser (H-1/21) General 31 Christophing 1 Pear Surits 0451 710651

LONDON SHARE SERVICE

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1987 188	CHEMICALS, PLASTICS ### PLASTICS #### PLASTICS ##### PLASTICS ##### PLASTICS ##### PLASTICS ##### PLASTICS ##### PLASTICS ###### PLASTICS ###### PLASTICS ########## #######################	146 65 4 N Gross 100	-1 0.5 0.8 0.9 72 36 Sulter 75 -9 -9 -1 3.0 2.8 1.2 13.6 223 97 Barrelone 5p. 175 -9 -9 -1 0.5 7.4 3.1 4.4 238 88 Barrelone 5p. 175 -9 -1 0.5 7.4 3.1 4.4 238 88 Barrelone 5p. 182 +3 -2 5.8 3.0 3.8 11.8 21.2 73 Barrelone 5p. 182 +3 -2 5.8 3.0 3.8 11.8 21.2 73 Barrelone 5p. 182 +3 -2 5.8 3.0 3.8 11.8 21.2 73 Barrelone 5p. 182 +3 -2 5.8 3.0 3.8 11.8 21.2 73 Barrelone 5p. 183 +3 -2 5.8 11.4 2 5.8	42.0 2.3 6.1 8.4 90 55 Stoord Highs 5.9
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rmancial Times Tuesday March 8 1988		LONDON SHARES	ERVICE		39
The content of the	VERT S.	TRUE	See	March Marc	Section Sect

Deciara Last Account tions Dealings Day Mar 3 Mar 4 Mar 14 Mar 17 Mar 18 Mar 28 fell back right across the board. With the effects of sterling's strength falling largely on the

THE SIGHT OF the Bank of England standing aside while the pound surged above DM 3.00 yesterday morning cast a sudden cloud over the first day of the new trading account in London's equity market. However, equities rallied from an initial setback as the big institutions refused to be alarmedand traders held fast to their view that a strong pound rules out any upward move in seas demand for UK Gilts early domestic interest rates.

blue chip stocks, market indices fell quickly, and only a handful of major stocks could stand out against the trend. The news of s

1.1 per cent rise in final January

retail sales was largely ignored in

good form as the exchange mar-kets signalled the inflow of for-

eign money into London. Over-

last month provided the base for

Surprisingly, the authorities

ther they could let the pound rise, which they did, nr intervene

against the pound, or, finally, put interest rates down. Their behav-

decline in the military side of

Aerospace. At 377p, the shares jumped 17, while Rover improved

both bond and equity sectors. The UK bond market was in

Government bonds quickly put the recent apswing in the equity on a full point, holding these market. gains for the rest of the day on determined support which came made no move to introduce s new from the trading houses rather tap stock yesterday despite the than from retail investors.

The stock market was surmarket. Long-dated bonds closed prised by the sudden upswing in the pound against both the DM market. Long-dated bonds closed with gains of just over a full point after a good, but not excep-The stock market was surand the US dollar. There was s sell-off of dollar earners, such as Glaxo and Shell, and of other exporting groups such as ICI, trader of s leading US bank. "Etwhich will see its sales in the German market under pressure. The FT-SE index was 25 points down at the day's low point, but rallied to close a net 16.3 off at 1818.2. Seaq share volume, at attempt not to put UK rates 404.8m shares, although still an down, and the market saw that". word, and the market saw that".

British Aerospace soared ahead as the board continued its week when the market turned onto the hull track.

The strength of sterling is good news on the interest rate front. and that is the chief concern of the securities markets at present. With the pound above DM 3.00, any upward move in UK bank base rates seems out of the ques-tion at present. Consequently, the hig investment houses took a fairly sanguine view of the have positive major impact on pound's performance yesterday.
"We're nnt terribly worried", said Dr Arnab Banerji of Nomura Securities, a view echoed by analysts at several other securities

At Warhurg Securities, Mr which could balance a threatened Peter Warburton, economics analyst, said the pound's latest advance could, in any event, prove "a short term hubble". In 5 to 82p. itself, sterling at DM 3.04 is not a But the itself, sterling at DM 3.04 is not a "killer" for the equity market. Securities was, "Sell Aerospace. 674p on news of the agreed acquiand, "Will this foreign exchange Rover is the wrong acquisition". money still be there in three months time?" he asked.

money still be there in three months time?" he asked.

The market's optimism for a tax reforming Budget on March

The market's optimism for a canadian manufacturer of Kitcat and Aitke steady opening. In very early trading, share prices edged dian group, aerospace contractor mical drag caused by ex dividend quotations for Shell and ICL. However, when sterling took the bit between its teeth, share prices a 532m oner from another tanks dian group, aerospace contractor graphically sound in a business the company knows well. Accordingly, Kitcat have raised their profit forecast for Rank market got wind of an announce from \$248m to £254m for the curbit between its teeth, share prices

Pound's strength boosts Gilt-edged but exporting

stocks suffer widespread falls

T 4 3 2 1 Ago Nigh Low Nigh Nigh Nigh Nigh Nigh Nigh Nigh Nigh		Mar.	Mar	Mar.	Mar	Mar.	Year	198	7/88	Since Compilation		
Severament Sect		7	4					Nigh	Low	Nigh	Low.	
Fixed Interest	Government Secs	90.59	90.24	90.41	190.39	90.47	89.25				49.18 (3/1/75)	
Table 2 Table 3 Table 4 Table 4 Table 5 Tabl	Fixed laterest	96.80	96.72	96.52	96.47	%.55	95.13				50.53 G/1/75	
Control of the cont	Ordinary 🕈	1462 a	1478.7	1463.6	1467.9	1439.1	1576.3		,		(26/6/40	
2007 100	Gold Mines	242.5	239.7	241.8	241.4	238.6	329.6				43.5 (26/10/7)	
Earnings Yid. %(futil) 11.16 11.02 11.12 11.10 10.58 8.64 indices Mar. 4 Mar. 3 P/E Ratio GetK*1 10.95 11.08 10.99 11.01 11.47 14.19 Git Edged Bargains 122.1 11.6.0 SEAQ Bargains (Spm) 31.964 37,045 33.257 28,764 26,092 53.342 Equity Varier 2856.5 2300.7 Equity Turnover (Em) 2856 30.537 31.118 28.973 64.128 Equity Bargains 127.5 125.6 Equity Bargains 39,585 36,537 31.118 28.973 64.128 Equity Bargains 127.5 125.6	and the World	2.50	0.76		44	444	3.74		S.E AC	YTIVIT		
PFE Ratio (petit*1 10 95 11.08 10.99 11.01 11.47 14.19 Gilt Edged Bargales 122.1 116.0 256.5 236.7 SEAQ Bargales (5pm) 31.964 37.045 33.257 28.764 26.092 53.342 Equity Turnover (£m) 1413.06 1484.59 1327.07 1008.35 1359.62 Gilt Edged Bargales 256.2 300.7 500.3 500.		-		1		10.58	8.64	. 1	odices	Mar. 4	Mar. 3	
SEAQ Bargains (5pm)							14.19					
Equity Bargains	SEAQ Bargains (Spm)	31,964	37,045	33,257	28,764	26,092						
Equity Bargales	Equity Turnover (Em)	-	1413.06	1484.59	1327.07	1008.35	1359.62				120	
	Equity Bargales ,	•	39,585	36,537	31,118	28,973	64,128				193.9	
Sharts 178060 (MD	Shares Traded (mD	-	618.4	563.5	477.8	398.9	615.4				2342.2	
	♥ Opening 10 a 1477.1 147		11 a.m 1468.	- 1	o.m. 67.9	1464		2 p.m. L463.5	3 p.m 1458.		p.m. 60.9	

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, S E Activity 1974, * NII - 10.84, * Correction LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

Standard Chartered shares suffered a major setback in the wake of the resignation of Mr Michael McWilliam, the Chief Executive sheet and earnings from the planned acquisition of Rover, the UK car manufacturer. Among the and the appointment of Mr. Rod-ney Galpin as executive chair-man, announced late on Friday. US firms, Chase Manhattan and Shearson Lehman Bros emerged Widespread comment on the possibility of a dividend cut and as strong advocates of the deal provided it can be struck on rights issue in the Sunday press terms favourable to Aerospace. caused a sharp mark down at the outset when the share price was Chase, believing the deal could lowered to 465p, accompanied by some aggressive selling, but the stock subsequently rallied to end both earnings and assets, has issued a major recommendation to clients and was itself a beavy

buyer of Aerospace shares again 8.2m traded yesterday. Shearson sees "hidden value" in Rover. after turnover of 2.3m shares. A leading dealer in Standard remarked "the downside from bere is limited simply because of the hreak - up value of the bank."

the session a net 40 down at 470p,

15 was supported by the weekend defence communications equippress and equities staged a ment and currently in receipt of steady opening. In very early a £32m offer from another Cana— the acquisition appears geobouse, rates the shares a strong

xd on turnover of 4.8m reflecting cal and consumer products "old" were traded and 25m of the slight disappointment with the group, closed a shade easier at "new", keeping up the beavy group, closed a shade easier at "new", keeping np the beavy turnover levels of the past couple of weeks. The buying contioued to push forward ahead ofan atticle to be available to be a same atticle to be available to be a same at the article to be published on Friday in The Lancet, the UK premier medical journal concerning tests on the group'a heart drug Emi-

The Lancet plans to follow its Knwait Investment Office whose stake in BP was last notified as the investment analysts. Beecham hopes that Privaces and the property of 20 per cent. article with a conference for investment analysts. Beecham hopes that Eminase will give it the means to tap into the highly profitable market for treating chronic diseases, which require long-term therapy.

Stake in BP was last notified as been just short of 20 per cent.

Included in the BP deals was a single block of 5m "new" at 63p.

The latter closed 2 higher at 63p while the "old" spurted ahead late to close 4 up at 254p.

sector that remained under pres-4.4m shares.

The immediate reaction of analysts to the news was that the find. "could add around 70p a sbare to Enterprise's assets". Although not matching Enterprise in terms of price apprecia-tion British Petroleum easily out-performed the former in terms of

Beecham, the UK pharmaceuti- shares traded. Almost 5m BP sources of recent times, namely two leading US houses and one of the top UK securities houses, and was thought not to have repre-sented further purchases by the

long-term therapy.

Enterprise Oil were easily the Best performer in an oil and gas formed the rest of the market.

After the close 4 up at 254p.

The clearing banks "outperbest performer in an oil and gas formed the rest of the market." The clearing banks "outpersector that remained under pressure from the recent poor performers is limited simply because of the hreak—up value of the bank."

Rank Organisation, the entertainments group, were one of the day's best performers, rising 11 to 674p on news of the agreed acquisition of Ahnert Entertainments of Pennysivania, a leisure concern, for £102m.

Mr. Bruce Jones, analyst at Kitcat and Aitken, the securities bouse, rates the shares a strong sure from the recent poor performance of crude oil prices. Official news that the drilling effort on North Sea Block 22-11 has produced a "significant oil field"—designated Nelson —containing for the dividend deductions Barclays were 3 higher at 285p and NatWest only 2 off at 580p. Midland were 6 down at 403p. Turnover in the sector was much barrels of oil triggered a welter of buying interest for Enterprise shares which immediately raced up to 326p before closing 10 higher at 325p on a turnover of 44m shares. according to one dealer. After allowing for the dividend deduc-

hros, boosted by a "buy" recom-mendation from SBCI Savory Milin, were a like amount up at 258p and Kleinwort Grieveson 4 better at 379p; County NatWest rate Kleinworts a "buy" ahead of their April 6 preliminary results. Insurances "took a breather after last week's strong gains" one Institutional investors showed little freah anthusiasm to increase their weightings of

reflect the general pick up in

stock market activity. SG War-burg, a strong performer last

week, added 5 more at 344p, Ham-

Brewery issues and the sector experienced the smallest trade for some considerable time. The majors subsequently drifted easier with the general tone and Allied-Lyons closed 4 down at 3669 while Whitbrend "A" ended 3 off at 2989; volume was less than 1m shares in both stocks. Guinness similarly alipped 2 to 3109 but Scottish & Newcastle projected forward lets when said. sprinted forward late when sudden demand caught the market and settled 10 np at 260p. A week-end press recommendation lifted Macallan Glenlivet 25 to 610p in

incorrect trade of 5m shares caused early consternation, came caused early consternation, cause back 7 to 438p; the bargain apparently related to 5,000 shares. Else where, Costain slipped 2 to 317p, results and Eurotunnel advanced results and Eurotunnel advanced while Barratt Developments, 12 to 334p following favourable interim results due on March 23, press comment.

gave up 4 at 195p. Steetley lost 7

Currency influences rather to 325p and BPB Industries more than the approach of the cheapened 5 to 30fp. Blue Circle, annual results, due on March 15, still underpinned by bid specula-tion, edged up 3 to 463p and Meyer International added a sim-ilar amount at 380p. Heywood Williams firmed 2 to 293p in reply to excellent annual results, due on March 15, took a toll on Jaguar, down 9 at 329p, hnt news of last month's surge in commercial vehicles sales helped Plaxtons (GB) improve to 158p. Motor Distribn-tors also trended higher with and acquisition news, while reply to excellent annual results and acquisition news, while housebuilder Persimmon gained 7 to 159 in response to the doubled annual profits. Raine Industries were in demand following the recent business swap with Evered and touched 103p prior to closing 5 dearer at 102p. Federated Housing moved up 4 to 251p ated Housing moved up 4 to 251p ahead of tomorrow's preliminary

figures.
ICI were unsettled by curre

following a aubstantial traded options business. Next dipped 4 nary figures.

280p on turnover of 2.3m. Preliminary results from BSR,

to as much as £17m, were deemed

The engineering sector showed today's preliminary figures.
TI a strong market and finally 11 higher at 245p ahead of preliminary results, scheduled for resolution of takeover possibilities went to any other parket again. The

relatively well despits the were also bought following good adverse currency influences. Glaxo, interim results due on March 14, were only 18 off at growth this year, and rose 7 to £1034 and Reckitt and Colman settled marginally lower at \$22p. settled marginally lower at 822p. Hanson, in which some 4m shares were traded, including a block of 1.6m shares at 138p, finished 212 cheaper at 13712p. Unia restricted market.

Building issues were easier for choice. Redland, in which an lowing the disposal of its carbon lower low graphite business, ahed 11 to

Currency infinences rather

negotiating to buy 50 per cent of Societe GGMD, the largest independent media buying group in Europe, aroused demand for the former's shares which rose 12 to influences and closed 3 lower at 258p. Business elsewhere in the £105 xd.

Retailing stocks held up well and included a firm feature in Dixons which moved up 7 to 192p

Agency sector was blow with Lopex, at 176p, making little response to its first step into the Far Eastern market via a joint venture in Singapore. Agency sector was slow with venture in Singapore.

Properties lost some of their to 289p ahead of Friday prelimi recent sparkle, Land Securities drifting back in a much reduced Turnover in the electronics business to close 4 cheaper at majors, Plessey apart, was much seduced. GEC, amid talk of an Elsewhere, Mountlelgh imminent joint venture with FKI. responded to news of an £38m eased 2 to 158p on turnover of 24m shares, while Racal lost 5 to 24m shares, while Racal lost 5 to 230p on turnover of 2.3m. ple of pence tn 49p. The deal will which came out at £16.4m against give Mountleigh s 17.5 per cent estimates which had ranged up stake in Control. Mncklow attracted buyers ahead of Thursslightly disappointing and BSR day's interim figures and rose 6 shares gave ground to close 2 off to 151p, while Dares Estates improved 112 to 35p awaiting

International stocks held up shares closed 7 up at 125p. Palma

out some 10,000 lower yesterday at 27,379. Calls fell steeply to 18,350 while puts totalled 9,029. The FTSE contract attracted 1 454 calls and 1,182 puts. Hanson registered 2,941 calls and 46 puts.

Traditional Options

 First dealings Feb 29 ● Last dealings Mar 11 ● Last declarations Jun 2

• For Settlement Jun 13 For rate indications see end of London Share Service

Cambinm Venture Capital, Holmes Protection, EBC, Senlor Eng., Norfolk Capital. Eagle Trust, Eurotunnel units, Irish Distillers, RHM, Guthrie, Control Securities, Sonnd Diffusion. Pineapole, Belene of London, Wheway, Elswick, Greenwich Resources and Jove IT Capital. Double options wrere transacted in Irish Distillers, RHM, Bolmes Protection and Explaura Hold-

NEW HIGHS AND LOWS FOR 1987/88

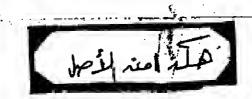
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Page 101 | March 11 | March 12 |
Page 11 | March 12 | March 12 |
Page 12 | March 13 |
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LONDON TRADED OPTIONS

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FIXED INTEREST STOCKS

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	These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries													
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NEW YORK ACTIVE STOCKS

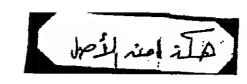
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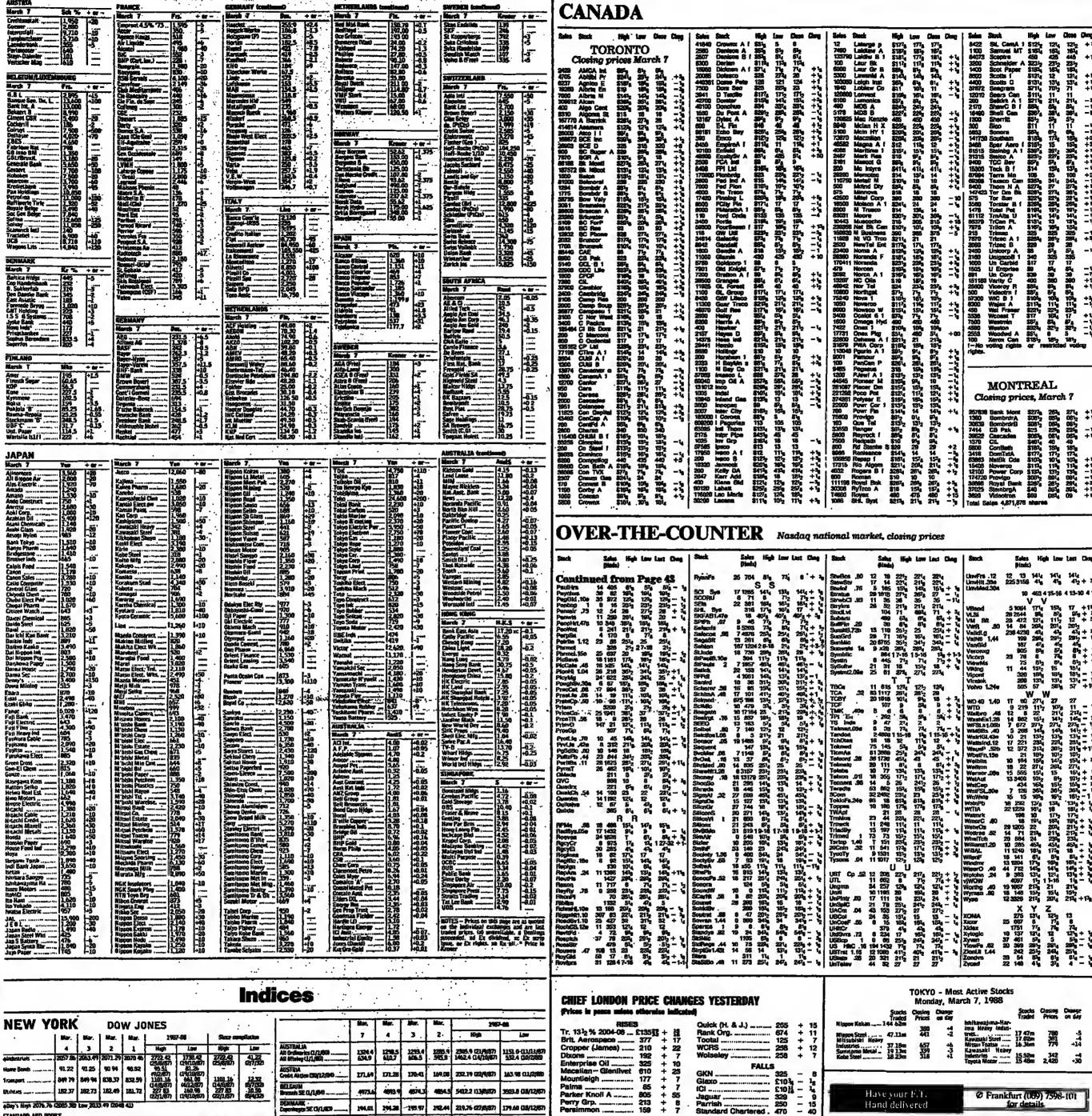
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FINANCIAL TIMES

4.40 01/6/32 3.62 23/6/32 8.64 01/10/74 4.46 25/4/42 27/31 6/12/72 54.87 C31/10/74 455.02 1366.7 1397.6 HONG KONG Hang Seng Bank (31/7/60) year ago (approx.) TALY Banco Com, Ital. (1972) 489.30 1852 1852 1,934 779 701 454 22 7 592.8K (21.PHD) 307.48 (10711/8) SINGAPORE Stants Times Incl. (30/12/46) 700.4 (7/12)87) SOUTH AFRICA JSE Cold (28/9/78) JSE Industrial (28/9/78) 2600 5 3507 5 (5/10/67) 1988 2 (2/1/67) 3212 9 4112 9 (13/6/67) 2637 8 (26/16/67) USCHTREAL Portions 1619 54 3611 79 1617.99 1612 10 2224.77 (16/7/67) 1475.94 C5/10/67) 550,2 530 0 ; Closing price 10 52% 44% 53% 29

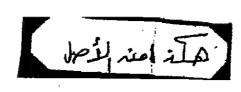
NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

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AMERICA

Modest downward trend continues

Wall Street

US equities yesterday failed to emulate substantial gains of the past two Monday sessions and closed very little changed from last Friday, writes Janet Bush in New York

The Dow Jones Industrial Average finished 1.49 points lower at 2056.37. About 153m shares changed hands. A week ago, the Dow had managed a healthy gain of 48.41 points and a rise of 25.70 points on the previous Monday.

Those gains had prompted some enthusiasm for further gains in the stock market, particularly in view of the new caution

in the bond market. However, in each of the past two weeks, stocks followed those Monday gains with a string of desultory performances which

tended to erode optimism. Last Friday, the market closed marginally lower in spite of the jump in employme ot which pushed the bond market nearly two points lower. This pattern of modest movements and an inability to respond to good news

seemed to continue vesterday. The government bond market was also subdued as prices first stabilised after last Friday's collapse on news of a startling rise in a narrow range, perhaps until in employment last month and the next set of US trade figures. then edged lower again.

By late trading, the Treesury's its low for the day, to yield 8.51 per cent.

The employment figures seem to have put to rest hopes which have buoyed the bond market so far this year that the US Federal ary. Reserve would ease monetary policy to stave off sharply lower economic growth. Although there were some

roblems in interpreting Friday's figures, which many think were boosted by seasonal adjustment factors, the numbers were still strong enough to weigh against the recessionary view which had prompted the strong rally in bonds earlier this year.

Mr Robert Chandross, bond market economist for Lloyds Bank in New York, said Friday's figures had led to a marked shift in mood. "There was an identifiable group in the market which believed the Fed would ease in response to a weak ecocomy. That group has now had to adjust

bond market would likely trade month.

the next set of US trade figures. surged \$13½ to \$633 after news. The only sconomic news of Pirelli Group's \$58 a share tenreleased vesterday was the latest

benchmark 8.875 per cent long report by National Purchasing bond was quoted is point lower, Managers, used by some analysis as a key indicator of consumer lemand. The report showed a 2.5 per cent decline in the managers' composite index to 54.9 per cent in February compared with Janu-

> Most analysts saw the drop as fairly modest and said the figures provided evidence that, while consumer demand was slowing, the trend was not dramatic. The report seemed to have little effect oo the bond market.

financial markets yesterday was issues, with the composite index a soaring pound which put presup 9.9 at 3.261.4 at midsession. sure on the dollar against most international Pagurian was the major currencies. However, the most active in industrials, rising ess of the dollar seen have little direct effect on either stocks or bonds.

news of a \$45 a share offer by C\$81a and Placer Dome rose C\$1a General Electric which rivals the to C\$157a.

der offer.

Mobil rose \$1 % to \$44% after it said it had agreed to sell its Montgomery Ward retail subsidiary to a management group in a leveraged buy-out. Lorimar Tele-pictures added \$2½ to \$15¼ after the company said it had been approached about a possible merger by Warner Communications. Warner rose \$3 to \$324.

Canada

the bond market.

RISING golds and industrials offThe other major factor in set declines by mines and energy ed to 4 cents to C\$1.09.

have little direct effect on either Varity gained 3 cents to 78 cents, while Dome Petroleum advanced 2 cents to C\$1.25 dlrs. stocks were active. One of the largest movers was Roper Corp rick gained C\$5 to C\$28, Interna-which jumped \$11 to \$483 after tional Corona was unchanged at

its expectations."
\$37.50 a share bid by Whiripool
He said Friday's figures ruled
Corp which signed a merger
out lower interest rates and tha
agreement with Roper last
bond market would likely trade

\$37.50 a share bid by Whiripool
In emergy issues, Texaco Canada fell C\$1½ to C\$34½. Base
metal stock Cominco slipped
C\$½ to C\$16½.

ASIA

Nikkei eases as caution takes hold

Tokyo

A WAIT-and-see mood prevailed in Tokyo yesterday, leaving the market weaker at the close, writes Shigeo Nishiwaki of Jiji

The Nikkei average ended 10.99 points lower at 25.616.58 having

reached a high of 25,642.58 against a low of 25,567.63. Volume fell to 826m shares declines led advances by 443 to 414, with 189 issues unchanged.

There was no significant news to give the market direction for the start of the week and coocern over rising prices increased fol-lowing last week's strong perfor-

Glant-capitals, which have beeo leading the recent rise, con-tinued to attract huying interest in early trading. But their popu-due in June 1996, attracted buy-

one stage, holstered by buy orders from Nomura Securities for 67m of the company's shares. The issue came under seiling

Nippon Steel, the second busi- at 121m sbares, down 100m est Issue with 47.1m shares shares from Friday. traded, advanced Y5 briefly, but Y6 higher at Y657 after gaining Chemical Industries scored a 3m shares traded. Western Min-Y12 at one stage. Ishikawajima-Harima Heavy Industries fell Y5 to Y780 and Kawasaki Steel Y4 to

Among recently popular large-capital chemical issues. Mitsui Toatsu Chemicals was the eighth most active stock with 16.4m shares, closing Y14 higher at

Buying interest shifted to high-priced blue chips in late trading. Matsushita Electric Industrial added Y80 to Y2,520, Pioneer Electronic Y110 to Y3,300, Sony Y110 to Y5,270 and NEC Y40 to Y2,140.

Cars fared well on the strength of strong sales supported by steady consumer huying. Toyota Motor, 10tb most active with 15.5m shares, ended Y30 higher at Y2,420 after exceeding its record high of Y2,460, set on October 14

Among the day's other rises was Minebea, up Y32 at Y959. But

Toshiba ended down Y3 at Y750, after losing Y26 in Saturday's half-day session, on unconfirmed reports that the CIA is investigating it in connection with viola-

tions of export controls.

Bood prices were slightly easier because of the absence of market-moving news. The yield on the benchmark 5.0 per cent government bond, maturing in December 1997, opened slightly lower at 4.385 per cent against 4.395 per cent at Saturday's close. The benchmark issue came under selling pressure later and the yield ended at 4.435 per cent, The present yield levels of

ahout 4.4 per cent were less attractive to investors because short-term interest rates remained at high levels. The 5.1 per cent bond, which

Nippon Kokan topped the active list with 144.6m shares changing hands and week with 144.6m shares changing hand per cent to 4.510 per cent, before ending at 4.550 per ceot. Osaka Securities Exchange prices closed slightly lower, hit

by the yen's firmness against the Ollar. The 250 issue OSE stock averpressure later to close Y4 np at The 250 issue OSE stock aver-what was still a record high of age ended 10.87 points lower at 25,959.10. Volume was estimated

Talo Paper dipped Y10 to eoded Y2 lower at Y441, while Y2,130 under profit-taking pres-Mitsubishi Heavy Indostries, sure, while Ono Pharmaceutical

INVESTORS' fears that a key oil drilling site in the Philip-pines would turn out to be dry sent share prices plunging in Manila yesterday for the sec-

ond session running, writes Our Markets Staff in London.

The composite index fell

20.36 to 748.41 after a 19 point drop on Friday, giving it a two-day loss of almost 5 per

Disappointment stemmed

from news that drilling at the Victoria consortium's prospect 70 miles north of Manila had been extended. A strike there would be the first major oil

find for the Philippines and

the lack of definite news over the weekend depressed inves-

tors who had been expecting a breakthrough.

Existing oil production in



cents to A\$7.84.

BHP saw demand from both local and overseas buyers, ending 14 cents up at A\$6.94. In the construction and property sector. Hooker, subject of a A\$217m bid by chairman Mr George Herscu's

gain of Y100 to Y685.

Australia

FIRMER international gold prices and renewed offshore Interest helped post up prices, with the All Ordinaries index rising to its

The gold index added 67.4, or 43 per cent, to 1,601.9, with gold stock Australian Consolidated and Sons of Gwalia 56 cents stronger at A\$6.30.

In resource stocks, CRA

highest for the year, up 25.9 at

Minerals up 20 cents at A\$3, Metana 26 cents higher at A\$7.06.

the Philippines provides only about 5 per cent of the coun-

try's requirements, according to a mineral resources analyst

at London brokers James

Capel. "In terms of what an oil strike would do for the country, it's almost indeacribable, because of the heavy dependence on imports," he said.

The market has been domi-nated by speculation over the well for the past six weeks. Yasterday the nil index

dropped 0.412 to 6.035 but the mining index managed a 3.23

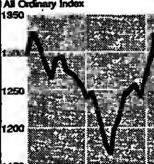
rise to 4.525.

in the absence of fresh news, and the market closed lower across the board on profit-taking.

index dropped 4.86 to 915.74 in light trading as cautious investors took profits following previ-ous falls in Tokyo and on Wall Street. The neutral Budget presented on Friday had been largely discounted by the market.

Price changes were mostly marginal except for a handful of hlue chips and quality stocks. Turnover fell to 18.4m shares from 24.5m on Friday.

"The market's going to go right through the roof if they strike oil," said one analyst. "But if the project fails, the whole market will have to sai-



A\$4.82 and MIM 8 cents to A\$1.66. Industrial stocks to gain included Adsteam and Leod Lease, both up 20 cents at A\$4.70 and A\$11.80 respectively. Nsws Corp climbed a solid 40 cents to A\$12.20 and BTR Nylex was up 24

family company, closed 15 cents higher at A\$2.35.

Hong Kong

maximum allowable single-day LATE profit-taking reduced the day's gains and the market closed narrowly mixed on

improved turnover. The Hang Seng index ended the day down 1.98 at 2,470.4, having risen more than 20 points in early trading. Turnover was HK\$946m against HK\$779m on

The market is expected to remain active pending the release in coming weeks of corporate results, which are forecast to be

Hang Seng Bank, due to report on Friday, added 50 cents to HK\$30.75. Hong Kong Bank, which reports on March 15, was hit by profit-taking and ended off ts at HK\$7.25

Singapore

SMALL investors dominated trading as institutions held back

The Straits Times Industrial

Among the top losers, Singapore Airlines and Singapore Land dipped 20 cents each to \$\$10.80 and \$\$5.15 and Singapore Press lost 15 cents to \$\$7.75.

FT - ACTUARIES WORLD INDICES

Oil well fears hit Manila

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

RATIONAL AND REGIONAL MARKETS		MQN	DAY MARCH	7 1988		FRE	DAY MARCH	4 1988	DOLLAR INDEX			
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change	Pound Sterling Index	Local Currency Index	Gross DJv. Yield	US Dollar Index	Pound Sterling Index	Currency Index	1987/88 High	1987/88 Low	Year ago (approx)	
Australia (91) Austra (16) Belglum (48) Canada (126) Oenmark (138) Finland (23) France (122) West Germany (94) Hong Kong (46) Ireland (14) Italy (94) Japan (457) Malaysia (36) Mexico (14) Netherland (37) New Zealand (23) Norway (24) Singapore (26) South Africa (61) Spain (43) Sweden (32) Switzerland (53) United Kingdom (327)	107.35 89.36 137.45 118.94 121.34 118.48 85.88 78.24 96.02 117.57 73.96 163.67 114.84 176.05 103.55 72.17 112.42 107.89 125.74 146.04 115.08 85.77 136.89	55.45.7.9.39.1.9.6.47.3.1.1.57.7.0.1.8.7	87.52 72.85 112.06 96.97 98.92 96.00 70.02 93.63 133.43 93.63 143.53 84.42 58.84 91.65 87.96 102.51 119.06 93.82 69.92	97.85 77.87 118.97 108.17 108.61 100.61 76.45 68.14 104.23 68.13 113.87 437.91 89.00 57.43 100.09 77.43 101.45 73.59 111.61	4.28 2.69 4.01 2.78 1.97 2.78 2.78 2.78 2.4.21 2.83 3.28 1.25 3.28 3.28 3.28 3.28 3.28 3.28 3.28 3.28	104.77 88.04 133.20 118.39 120.46 116.33 85.64 77.53 95.89 116.84 73.51 162.97 115.60 176.54 103.42 71.38 111.81 108.63 124.81 143.21 113.85 84.25 134.59	87.56 73.58 111.32 98.94 100.67 97.22 71.57 64.73 97.65 61.43 136.20 96.61 147.54 86.44 59.65 90.79 104.31 119.68 95.15 70.41	95,95 77,32 116,28 107,72 105,80 98,01 104,43 68,10 104,43 68,35 132,63 114,62 441,06 89,52 57,05 96,90 100,90 76,86 123,08 101,12 73,07 112,48	180.81 102.87 137.45 141.78 124.83 121.82 104.93 158.68 160.22 112.11 163.67 193.64 422.59 131.41 138.99 185.01 174.28 198.09 168.81 136.64 111.11	85.36 84.35 94.63 98.15 98.15 72.77 67.78 73.79 93.50 93.76 90.07 87.70 64.42 95.51 100.00 100.00 88.50 73.65 99.45	112.45 93.96 111.46 123.30 110.85 110.85 110.83 120.20 135.22 126.61 105.43 94.23 117.97 118.46 128.19 118.46 128.19 1108.69 95.93	
USA (585)	109.12 107.97	+0.0	88.96 88.02	109.12 91.64	3.45 3.77	109.07	91.15 89.04	109.07 91.89	137,42	91.21	118.99	
Pacific Basin (679) Euro-Pacific (1644) North America (711) Europe Ex. UK (638) Pacific Ex. Japan (222) World Ex. US (1845) World Ex. UK (2103) World Ex. So. Af. (2369) World Ex. Japan (1973) The World Index (2430)	158.80 138.48 109.64 90.03 100.09 137.71 125.66 126.65 108.90	4057 407 407 410 410 410 410 405 405 405	129,46 112,90 89,39 73,40 81,60 112,27 102,44 103,25 88,78	129.70 114.55 109.08 79.07 93.30 114.07 112.40 112.58 102.04	0.71 1.67 3.43 3.31 4.29 1.74 2.10 2.29 3.60	158.05 137.46 109.57 89.13 98.75 136.70 125.18 126.01 108.29	132.09 114.88 91.57 74.49 82.53 114.25 104.62 105.31 90.50	129.73 114.66 109.01 78.92 92.32 114.15 112.36 112.63 102.05	158.80 143.65 137.55 111.97 164.03 143.38 138.82 139.47 134.22	100.00 100.00 91.68 78.89 82.92 100.00 100.00 92.98	119.49 115.69 119.21 99.99 110.84 116.12 116.39 117.18 115.84	

Base values: Dec 31, 1986 = 100: Finland: Dec 31, 1987 = 115 037 (US 5 Index), 90.791 (Pound Sterling) and 94.94 (Loca 0. Copyright, The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co., Ltd.1987

Takeover talk boosts Belgian retailer

SHARES in GB-Inno-BM leaps almost 34 per cent yesterday morning to BFr1,795 as rumours buzzed round the bourse that a foreign boyer is planning to pounce on Bel-glum's leading supermarket group, writes Tim Dickson in

Several names were mentioned in the market - among em McDonald's, Argyll and the French company Carrefour but a strong theory was that

speculators were simply reinvesting profits made from the sale of shares in Société Générale de Relgique.

In London, Argyll denied heing involved and Dee Corp., owner of Carrefour, said it would be "astonished" if there were melt a bid A comment. were such a bid. A comment was not immediately available from McDonald's.

Liquidity from those who have benefited from the dra-matic seven-week battle for La Générale is thought responsi-ble for recent rises in the oil group Petrofina and the financlai holding companies Gevaert and Cobepa. In all se cases the flurry of excitement was short-lived.

A spokesman for GB-Inno. which recently acquired the Belgian Interests of the US retailer JC Penney, said the company knew of no reason for yesterday's hectic buying. He pointed out that while the shares had reached a new high (BFr1,630 at the close), yesterday's volume of 200,000 shares was not unprecedented, with similar levels recorded on

three occasions last year.
If there is a "raider" he will no doubt be aware that GB-Inno will be a much harder nut to prise open than the rela-tively unprotected Société Gén-érale. The family of Mr François Vaxelsire, chairman, speaks for 13 per cent, Cobepa has 10 per cent, and other-"friends" are thought to con-trol a further 15 to 20 per cent.

Ironically, the strong buying appears to have started last week after an apparently uncontroversial profile in a Belgian newspaper. Interna-tional interest in GB-Inno has, however, grown since the Pen-ney purchase which has turned the company into the 18th largest retailer in Europe

assets ideal constraints:

EUROPE .

Trading quiet as Paris and Frankfurt wait for news

INVESTORS stayed on the side-lines in Frankfurt and Paris, awaiting significant developments in foreign exchange markets and in France's political situation. Markets were mixed elsewhere in Europe, amid news of good company results and

FRANKFURT closed firmer overall in relatively quiet trad-ing. The FAZ index added 0.62 to 455.64 and overall sentiment for German stocks continued to be favourable.

The rise by sterling to its high-est against the German currency since mid-September 1986 appeared to have little effect on the market. Analysts said investors were more interested in what was happening in the dollar/D-Mark rate and on Wall Street, though soma German exporters might be bit slightly if the DM rate against sterling was

The bourse saw heavy trading in Kloeckner-Humboldt-Dentz. which forecast significantly improved results this year against losses for last year of about DM285m

KHD anded DM9 higher at DM104, and prompted gains In other machinery makers, with Linde DM2 stronger at DM573 and MAN upDM1.50 at DM154.50. Car stocks, which are strongly linked to moves in the dollar, ended little changed. BMW eased 50 pfg to DM524 and Daimler, which said it planned to keep its workforce at current levels in spite of a forecast slowdown in the industry, was unchanged at DM694. VW added 70 pfg to DM246.70 amid rumours that the Government was likely to sell its 16 per cent stake earlier, rather

than later, this year. Bond prices were fixed about 30 pfg lower in quiet trading, with the 10-year bond yielding

PARIS saw listless trading as investors continued to stay on the sidelines in the run-up to a general election.
The CAC index, based on open-

ing prices, was unchanged at 298. The market is waiting to hear whether President François Mitterrand plans to run for a second term next month, and was vesterday further hit by the avowal by Prime Minister Jacques Chirac to end a power-sharing pact with

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consider refinancing of realistic residual positions.

front cash/profit from exisiting rental base.

London

THE sudden neswing in the pound against both the dollar and the D-Mark led to sales of dollar earners, such as Glaxo and Shell, as well as other exporters, including ICI, which will feel the pinch in Germany.

But early losses in reponse to sterling's strength were reduced by a later rally and the FT-SE 100 ended the day 16.3 lower at 1.918.2. Volume was below that seen late last week but still above last month's lows.

Sterling's strength is seen as good news for interest rates, with most traders believing it rules out a retes rise.

the socialist leader if Mr Mitterrand is re-elected.

Eurotunnel saw active trading for no apparent reason, and ended np FFr1.35 at FFr33.85. Thomson CSF, which announced an army equipment contract from the US army, added FFr1 to FFr166. And Suez, which has been fighting for control of

in which it has a stake of about

MILAN finished mixed in modest dealings, with a late rally helping to reduce early declines. MAD

boosted to L5,230 in late trading on news that Nestle had joined. and Philips might support, the Italian financier's battle for control of Société Générale de Belgi-

Pirelli closed down L70 at L2,670, but rallied back after bours to the opening level on news of the group's bid for US tyre group Firestone.

Merchant bank Mediobanca, which is expected today to announce final details of its privatisation, was among the day's best performers, adding L2,800, or 2.1 per cent, to L180,000.

STOCKHOLM was buoyed by the expectation of good company results and closed higher for the eighth consecutive session, with the Affaersvaerlden index rising

SCA was SKr5 higher at SKr338 and Stora up SKr2 at SKr326 pending annual results tomorrow. Pharmacia, which reports

today, lost SKr5 to SKr160. AMSTERDAM ended lower after an erratic day's trading, hit by the weaker dollar and a lower

opening on Wall Street.
The ANP-CBS index edged up Sociaté Générale de Belgique.
0.1 to 238.1, with prices of most dropped FFr6 to FFr245. Shares in retail groups An Printemps and La Redoute were suspended following news on Friday that Printemps is bidding for control of the mail order group, after being suspended for an hour stake of about the approuncement of a following the announcement of a 40 per cent rise in annual net

MADRID rose to a high for the The MIB index was unchanged at 1,010. | Year as investors reinvested following Friday's profit-taking. The Olivetti closed up L180, or 2 per general index added 3.36 to cent, at L8,930, but climbed fur 266.73.

ther to L9,110 in unofficial trading CIR, the bolding company of ing after a week's suspension, Mr Carlo De Benedetti, closed down L85 at L5,090 bnt was of nominal market value.

SOUTH AFRICA

THE stronger hullion price index closed up 13 at 1,244, having risen to 1,265.

A shortest

A shortage of stocks affected volumes and sales from London appeared lower than in Friday's

De Beers, due to announce helped boost gold stocks, but the annual results oo Friday, rose 25 gains were kept in check by a cents to R27.15, while Rustenburg firmer financial rand. The gold Platinum added R1 to R29, belped by the improved price for plati-

> Gold stock Randfontein added R1 to R216 and Freegold was

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5,202,112 Ordinary Shares of £1 each. to former Shareholders and Convertible Loan Stockholders of The Berry Trust, p.Lc., and former Shareholders of The Northern Securities Trust, p.l.c. under the terms of reconstruction approved by the Shareholders of The Berry Trust, p.l.c. and The Northern Securities Trust, p.Lc., on 17th February 1988.

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8th March, 1988. Caisse Centrale

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de Coopération Economique

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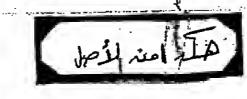
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